

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Garrett A. Fail

Attorneys for Lehman Brothers Holdings Inc.
and Certain of Its Affiliates

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re	: Chapter 11 Case No.
	:
LEHMAN BROTHERS HOLDINGS INC., et al.,	: 08-13555 (SCC)
	:
Debtors.	: (Jointly Administered)
-----X	

NOTICE OF APPEAL

Notice is hereby given that, pursuant to Federal Rule of Bankruptcy Procedure 8003 and 28 U.S.C. § 158, Lehman Brothers Holdings Inc., as Plan Administrator under the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors, hereby appeals from the *Order Denying the Plan Administrators' Five Hundred Nineteenth Omnibus Objection to Claims (No Liability Claims) [ECF No. 53107]* of the United States Bankruptcy Court for the Southern District of New York entered on June 23, 2021 [Docket No. 61156] (attached as Exhibit A), which denied the *Plan Administrator's Five Hundred Nineteenth Omnibus Objection to Claims (No Liability Claims) [Docket No. 53107]*.

The names of all parties to the order appealed from and the names, addresses, and telephone numbers of their respective attorneys are set forth below:

Appellant:
Lehman Brothers Holdings Inc.

Appellant's Counsel
Garrett A. Fail

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
212.310.8000

Appellees:

Maverick Long Enhanced Fund, Ltd., Maverick Neutral Levered Fund, Ltd.,
Maverick Neutral Fund, Ltd., Maverick Fund USA, Ltd., Maverick Fund II, Ltd.,
and Maverick Fund, L.D.C.

Appellees' Counsel:

Randall Martin
Shearman & Sterling LLP
599 Lexington Avenue
New York, New York 10022
Telephone: (212) 848-4000
Facsimile: (646) 848-7174

Solomon J. Noh
Shearman & Sterling LLP
9 Appold Street
London, EC2A 2AP
United Kingdom
Telephone: +44 20 7655 5000
Facsimile: +44 20 7655 5500

Dated: July 7, 2021
New York, New York

/s/ Garrett A. Fail
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Garrett A. Fail
(Garrett.Fail@Weil.com)

Attorneys for Lehman Brothers Holdings Inc.
and Certain of Its Affiliates

Exhibit A

**ORDER DENYING THE PLAN ADMINISTRATORS'
FIVE HUNDRED NINETEENTH OMNIBUS OBJECTION
TO CLAIMS (NO LIABILITY CLAIMS) [ECF NO. 53107]
(Docket No. 61156)**

**UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF NEW YORK**

-----X		
	:	
In re	:	Chapter 11
	:	
LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i>	:	Case No. 08-13555 (SCC)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----X		

**ORDER DENYING THE PLAN ADMINISTRATORS' FIVE HUNDRED NINETEENTH
 OMNIBUS OBJECTION TO CLAIMS (NO LIABILITY CLAIMS) [ECF NO. 53107]**

The Court having considered the *Plan Administrator's Five Hundred Nineteenth Omnibus Objection to Claims (No Liability Claims)* [ECF No. 53107] (the "Objection") filed by Lehman Brothers Holdings Inc. ("LBHI") upon remand and based on the decision of the United States District Court for the Southern District of New York in *Maverick Long Enhanced Fund, LTD., et al. v. Lehman Brothers Holdings, Inc.*, No. 17-CV-4203 (RA) (ECF No. 16) (the "District Court Order"); and the Court having considered the pleadings filed by LBHI in support of the Objection, including the *Brief on Remand in Further Support of Plan Administrator's Five Hundred Nineteenth Omnibus Objection to Claims* [ECF No. 59807] and the *Reply in Support of Plan Administrator's Brief on Remand in Support of Five Hundred Nineteenth Omnibus Objection to Claims* [ECF No. 59912]; and the Court having considered the *Opposition of the Maverick Entities to the Brief on Remand in Support of Plan Administrator's Five Hundred Nineteenth Omnibus Objection to Claims* [ECF No. 59865] filed by the Maverick entities set forth therein (the "Maverick Entities"); and the Court having considered argument by LBHI and the Maverick Entities following the District Court Order on January 14, 2019 and September 10, 2019; and the Court having considered the prior submissions and arguments of LBHI and the Maverick Entities and the record of these chapter 11 cases; and the Court having

jurisdiction to decide the Objection and the relief requested therein in accordance with 28 U.S.C. §§ 157(a)-(b) and 1334 and the *Amended Standing Order of Reference M-431*, dated January 31, 2012 (Preska, C.J.); and consideration of the Objection and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having conducted a conference on the Objection on May 20, 2021 (the “Hearing”); and after due deliberation and for the reasons stated by the Court at the Hearing, the transcript of which is attached hereto and incorporated as if set forth herein and made part hereof, it is hereby

1. ORDERED that for the reasons stated on the record at the Hearing, the Objection is denied; and it is further

2. ORDERED that the claims filed by the Maverick Entities shall be allowed in the aggregate amount of \$118,100,000 (the “Allowed Claims”); and it is further

3. ORDERED that the Maverick Entities shall not recover, in the aggregate, more than \$16,200,000 from LBHI on account of the Allowed Claims; and it is further

4. ORDERED that this Order constitutes a final order within the meaning of 28 U.S.C. § 158(a)(1) with respect to the Allowed Claims; and it is further

5. ORDERED that this Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: June 23, 2021
New York, New York

/S/ Shelley C. Chapman
THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

Transcript of Hearing on May 20, 2021

1 UNITED STATES BANKRUPTCY COURT
2 SOUTHERN DISTRICT OF NEW YORK
3 Case No. 08-13555-scc
4 - - - - - x
5 In the Matter of:
6
7 LEHMAN BROTHERS HOLDINGS INC.,
8 Debtors.
9 - - - - - x
10 Adv. Case No. 21-01029-scc
11 - - - - - x
12 LEHMAN BROTHERS HOLDINGS INC.,
13 Plaintiff,
14 v.
15 1ST STEP FINANCIAL SERVICES, INC.,
16 Defendant.
17 - - - - - x
18 Adv. Case No. 21-01030-scc
19 - - - - - x
20 LEHMAN BROTHERS HOLDINGS INC.,
21 Plaintiff,
22 v.
23 A.K.T. AMERICAN CAPITAL, INC.,
24 Defendant.
25 - - - - - x

1 Adv. Case No. 21-01031-scc
2 - - - - - x
3 LEHMAN BROTHERS HOLDINGS INC.,
4 Plaintiff,
5 v.
6 ADVANCED MORTGAGE LENDERS CORP.,
7 Defendant.
8 - - - - - x
9 Adv. Case No. 21-01034-scc
10 - - - - - x
11 LEHMAN BROTHERS HOLDINGS INC.,
12 Plaintiff,
13 v.
14 BRIDGEVIEW MORTGAGE CORP.,
15 Defendant.
16 - - - - - x
17 Adv. Case No. 21-01035-scc
18 - - - - - x
19 LEHMAN BROTHERS HOLDINGS INC.,
20 Plaintiff,
21 v.
22 CDC FINANCIAL GROUP, INC.,
23 Defendant.
24 - - - - - x
25

1 Adv. Case No. 21-01036-scc
2 - - - - - x
3 LEHMAN BROTHERS HOLDINGS INC.,
4 Plaintiff,
5 v.
6 CITYWIDE HOME LOANS, A UTAH CORP.,
7 Defendant.
8 - - - - - x
9 Adv. Case No. 21-01037-scc
10 - - - - - x
11 LEHMAN BROTHERS HOLDINGS INC.,
12 Plaintiff,
13 v.
14 CREATIVE MORTGAGE SOLUTIONS 2000 INC.,
15 Defendant.
16 - - - - - x
17 Adv. Case No. 21-01040-scc
18 - - - - - x
19 LEHMAN BROTHERS HOLDINGS INC.,
20 Plaintiff,
21 v.
22 EMPIRE FINANCIAL SERVICES INC.,
23 Defendant.
24 - - - - - x
25

1 Adv. Case No. 21-01041-scc
2 - - - - - x
3 LEHMAN BROTHERS HOLDINGS INC.,
4 Plaintiff,
5 v.
6 EXCEPTIONAL FINANCIAL SOLUTIONS INC.,
7 Defendant.
8 - - - - - x
9 Adv. Case No. 21-01042-scc
10 - - - - - x
11 LEHMAN BROTHERS HOLDINGS INC.,
12 Plaintiff,
13 v.
14 FAMILY MORTGAGE INC.,
15 Defendant.
16 - - - - - x
17 Adv. Case No. 21-01043-scc
18 - - - - - x
19 LEHMAN BROTHERS HOLDINGS INC.,
20 Plaintiff,
21 v.
22 FIRST BANKER MORTGAGE CORPORATION,
23 Defendant.
24 - - - - - x
25

1 Adv. Case No. 21-01044-scc
2 - - - - - x
3 LEHMAN BROTHERS HOLDINGS INC.,
4 Plaintiff,
5 v.
6 FIRST INTEGRITY MORTGAGE SERVICES, INC.,
7 Defendant.
8 - - - - - x
9 Adv. Case No. 21-01045-scc
10 - - - - - x
11 LEHMAN BROTHERS HOLDINGS INC.,
12 Plaintiff,
13 v.
14 GABRIEL FINANCIAL GROUP, INC.,
15 Defendant.
16 - - - - - x
17 Adv. Case No. 21-01046-scc
18 - - - - - x
19 LEHMAN BROTHERS HOLDINGS INC.,
20 Plaintiff,
21 v.
22 GREENBACK FUNDING INC.,
23 Defendant.
24 - - - - - x
25

1 Adv. Case No. 21-01048-scc
2 - - - - - x
3 LEHMAN BROTHERS HOLDINGS INC.,
4 Plaintiff,
5 v.
6 HOMESERVICES LENDING, LLC,
7 Defendant.
8 - - - - - x
9 Adv. Case No. 21-01051-scc
10 - - - - - x
11 LEHMAN BROTHERS HOLDINGS INC.,
12 Plaintiff,
13 v.
14 KAPPEL MORTGAGE GROUP INC.,
15 Defendant.
16 - - - - - x
17 Adv. Case No. 21-01052-scc
18 - - - - - x
19 LEHMAN BROTHERS HOLDINGS INC.,
20 Plaintiff,
21 v.
22 KENNEDY MORTGAGE CORP.,
23 Defendant.
24 - - - - - x
25

1 Adv. Case No. 21-01054-scc
2 - - - - - x
3 LEHMAN BROTHERS HOLDINGS INC.,
4 Plaintiff,
5 v.
6 LENDING BEE INC.,
7 Defendant.
8 - - - - - x
9 Adv. Case No. 21-01055-scc
10 - - - - - x
11 LEHMAN BROTHERS HOLDINGS INC.,
12 Plaintiff,
13 v.
14 MARYLAND RESIDENTIAL LENDING LLC,
15 Defendant.
16 - - - - - x
17 Adv. Case No. 21-01057-scc
18 - - - - - x
19 LEHMAN BROTHERS HOLDINGS INC.,
20 Plaintiff,
21 v.
22 MORTGAGE PLUS INC.,
23 Defendant.
24 - - - - - x
25

1 Adv. Case No. 21-01058-scc
2 - - - - - x
3 LEHMAN BROTHERS HOLDINGS INC.,
4 Plaintiff,
5 v.
6 NRF FUNDING CORP.,
7 Defendant.
8 - - - - - x
9 Adv. Case No. 21-01059-scc
10 - - - - - x
11 LEHMAN BROTHERS HOLDINGS INC.,
12 Plaintiff,
13 v.
14 NVR MORTGAGE FINANCE.,
15 Defendant.
16 - - - - - x
17 Adv. Case No. 21-01061-scc
18 - - - - - x
19 LEHMAN BROTHERS HOLDINGS INC.,
20 Plaintiff,
21 v.
22 PATRIOT MORTGAGE CO. INC.,
23 Defendant.
24 - - - - - x
25

1 Adv. Case No. 21-01062-scc
2 - - - - - x
3 LEHMAN BROTHERS HOLDINGS INC.,
4 Plaintiff,
5 v.
6 PRIME TIME MORTGAGE CORP.,
7 Defendant.
8 - - - - - x
9 Adv. Case No. 21-01063-scc
10 - - - - - x
11 LEHMAN BROTHERS HOLDINGS INC.,
12 Plaintiff,
13 v.
14 SAAB FINANCIAL CORP.,
15 Defendant.
16 - - - - - x
17 Adv. Case No. 21-01064-scc
18 - - - - - x
19 LEHMAN BROTHERS HOLDINGS INC.,
20 Plaintiff,
21 v.
22 SCOTT EDWARD LANDEAU,
23 Defendant.
24 - - - - - x
25

1 Adv. Case No. 21-01065-scc

2 - - - - - x

3 LEHMAN BROTHERS HOLDINGS INC.,

4 Plaintiff,

5 v.

6 SHORELINE MORTGAGE CORPORATION,

7 Defendant.

8 - - - - - x

9 Adv. Case No. 21-01066-scc

10 - - - - - x

11 LEHMAN BROTHERS HOLDINGS INC.,

12 Plaintiff,

13 v.

14 SMART MORTGAGE CENTER INC.,

15 Defendant.

16 - - - - - x

17 Adv. Case No. 21-01067-scc

18 - - - - - x

19 LEHMAN BROTHERS HOLDINGS INC.,

20 Plaintiff,

21 v.

22 SOUTHERN OAKS MORTGAGE INC.,

23 Defendant.

24 - - - - - x

25

1	Adv. Case No. 21-01070-scc
---	----------------------------

2	- - - - - x
----------	-------------

3 | LEHMAN BROTHERS HOLDINGS INC.,

4 Plaintiff,

5	v.
---	----

6 TRUST DEED OF CALIF. INC. MTG DIVISION,

7	Defendant.
---	------------

8 | - - - - - x

9 Adv. Case No. 21-01071-scc

10	- - - - - x
----	-------------

11 LEHMAN BROTHERS HOLDINGS INC.,

12 Plaintiff,

13	v.
----	----

14 UNITED NORTHERN MORTGAGE BANKERS, LTD.,

15	Defendant.
----	------------

16 | - - - - - x

17	Adv. Case No. 21-01073-scc
----	----------------------------

18	- - - - - x
----	-------------

19 LEHMAN BROTHERS HOLDINGS INC.,

20 Plaintiff,

21	v.
----	----

22 FIRST OHIO BANC & LENDING, INC. et al.,

23	Defendants.
----	-------------

24 - - - - - x

1 Adv. Case No. 21-01075-scc
2 - - - - - x
3 LEHMAN BROTHERS HOLDINGS INC.,
4 Plaintiff,
5 v.
6 ALDERUS FUNDING & INVESTMENTS LLC et al.,
7 Defendants.
8 - - - - - x
9 Adv. Case No. 21-01076-scc
10 - - - - - x
11 LEHMAN BROTHERS HOLDINGS INC.,
12 Plaintiff,
13 v.
14 VIRGINIA COMMERCE BANK et al.,
15 Defendants.
16 - - - - - x
17 Adv. Case No. 21-01078-scc
18 - - - - - x
19 LEHMAN BROTHERS HOLDINGS INC.,
20 Plaintiff,
21 v.
22 FISHER FINANCIAL GROUP INC. et al.,
23 Defendants.
24 - - - - - x
25

1 Adv. Case No. 21-01080-scc
2 - - - - - x
3 LEHMAN BROTHERS HOLDINGS INC.,
4 Plaintiff,
5 v.
6 NATIONWIDE HOME MORTGAGE INC. et al.,
7 Defendants.
8 - - - - - x
9 Adv. Case No. 21-01081-scc
10 - - - - - x
11 LEHMAN BROTHERS HOLDINGS INC.,
12 Plaintiff,
13 v.
14 MORTGAGE DIRECT, INC. et al.,
15 Defendants.
16 - - - - - x
17 Adv. Case No. 21-01083-scc
18 - - - - - x
19 LEHMAN BROTHERS HOLDINGS INC.,
20 Plaintiff,
21 v.
22 CRANBROOK MORTGAGE CORP. et al.,
23 Defendants.
24 - - - - - x
25

1 Adv. Case No. 21-01085-scc
2 - - - - - x
3 LEHMAN BROTHERS HOLDINGS INC.,
4 Plaintiff,
5 v.
6 CENTEX CAPITAL CORP. et al.,
7 Defendants.
8 - - - - - x
9 Adv. Case No. 21-01086-scc
10 - - - - - x
11 LEHMAN BROTHERS HOLDINGS INC.,
12 Plaintiff,
13 v.
14 MID-STATE BANK& TRUST et al.,
15 Defendants.
16 - - - - - x
17 Adv. Case No. 21-01087-scc
18 - - - - - x
19 LEHMAN BROTHERS HOLDINGS INC.,
20 Plaintiff,
21 v.
22 STERLING MORTGAGE SVCS. OF THE TREASURE COAST, INC.,
23 Defendants.
24 - - - - - x
25

1 Adv. Case No. 21-01090-scc
2 - - - - - x
3 LEHMAN BROTHERS HOLDINGS INC.,
4 Plaintiff,
5 v.
6 ALL CALIFORNIA MORTGAGE, INC. et al.,
7 Defendants.
8 - - - - - x
9
10 United States Bankruptcy Court
11 One Bowling Green
12 New York, NY 10004
13
14 May 20, 2021
15 10:00 AM
16
17
18
19
20
21 B E F O R E :
22 HON SHELLY C. CHAPMAN
23 U.S. BANKRUPTCY JUDGE
24
25 ECRO: UNKNOWN

1 HEARING re Adversary proceeding: 21-01029-scc Lehman
2 Brothers Holdings Inc. v. 1st Step Financial Services, Inc.
3 Pre-trial Conference

4
5 HEARING re Adversary proceeding: 21-01030-scc Lehman
6 Brothers Holdings Inc. v. A.K.T. American Capital, Inc.
7 Pre-trial Conference

8
9 HEARING re Adversary proceeding: 21-01031-scc Lehman
10 Brothers Holdings Inc. v. Advanced Mortgage Lenders Corp.
11 Pre-trial Conference

12
13 HEARING re Adversary proceeding: 21-01034-scc Lehman
14 Brothers Holdings Inc. v. Bridgeview Mortgage Corp
15 Pre-trial Conference

16
17 HEARING re Adversary proceeding: 21-01035-scc Lehman
18 Brothers Holdings Inc. v. CDC Financial Group, Inc.
19 Pre-trial Conference

20
21 HEARING re Adversary proceeding: 21-01036-scc Lehman
22 Brothers Holdings Inc. v. Citywide Home Loans, a Utah Corp
23 Pre-trial Conference

24
25

1 HEARING re Adversary proceeding: 21-01037-scc Lehman

2 Brothers Holdings Inc. v. Creative Mortgage Solutions 2000

3 Inc.

4 Pre-trial Conference

5

6 HEARING re Adversary proceeding: 21-01040-scc Lehman

7 Brothers Holdings Inc. v. Empire Financial Services Inc.

8 Pre-trial Conference

9

10 HEARING re Adversary proceeding: 21-01041-scc Lehman

11 Brothers Holdings Inc. v. Exceptional Financial Solutions

12 Inc.

13 Pre-trial Conference

14

15 HEARING re Adversary proceeding: 21-01042-scc Lehman

16 Brothers Holdings Inc. v. Family Mortgage Inc.

17 Pre-trial Conference

18

19 HEARING re Adversary proceeding: 21-01043-scc Lehman

20 Brothers Holdings Inc. v. First Banker Mortgage Corporation

21 Pre-trial Conference

22

23

24

25

1 HEARING re Adversary proceeding: 21-01044-scc Lehman
2 Brothers Holdings Inc. v. First Integrity Mortgage Services,
3 Inc.
4 Pre-trial Conference

5
6 HEARING re Adversary proceeding: 21-01045-scc Lehman
7 Brothers Holdings Inc. v. Gabriel Financial Group, Inc.
8 Pre-trial Conference

9
10 HEARING re Adversary proceeding: 21-01046-scc Lehman
11 Brothers Holdings Inc. v. Greenback Funding Inc.
12 Pre-trial Conference

13
14 HEARING re Adversary proceeding: 21-01048-scc Lehman
15 Brothers Holdings Inc. v. HomeServices Lending, LLC
16 Pre-trial Conference

17
18 HEARING re Adversary proceeding: 21-01051-scc Lehman
19 Brothers Holdings Inc. v. Kappel Mortgage Group Inc.
20 Pre-trial Conference

21
22 HEARING re Adversary proceeding: 21-01052-scc Lehman
23 Brothers Holdings Inc. v. Kennedy Mortgage Corp
24 Pre-trial Conference

25

1 HEARING re Adversary proceeding: 21-01054-scc Lehman
2 Brothers Holdings Inc. v. Lending Bee Inc.
3 Pre-trial Conference
4
5 HEARING re Adversary proceeding: 21-01055-scc Lehman
6 Brothers Holdings Inc. v. Maryland Residential Lending LLC
7 Pre-trial Conference
8
9 HEARING re Adversary proceeding: 21-01057-scc Lehman
10 Brothers Holdings Inc. v. Mortgage Plus Inc.
11 Pre-trial Conference
12
13 HEARING re Adversary proceeding: 21-01058-scc Lehman
14 Brothers Holdings Inc. v. NRF Funding Corp
15 Pre-trial Conference
16
17 HEARING re Adversary proceeding: 21-01059-scc Lehman
18 Brothers Holdings Inc. v. Nvr Mortgage Finance.
19 Pre-trial Conference
20
21 HEARING re Adversary proceeding: 21-01061-scc Lehman
22 Brothers Holdings Inc. v. Patriot Mortgage Co. Inc.
23 Pre-trial Conference
24
25

1 HEARING re Adversary proceeding: 21-01062-scc Lehman
2 Brothers Holdings Inc. v. Prime Time Mortgage Corp
3 Pre-trial Conference

4
5 HEARING re Adversary proceeding: 21-01063-scc Lehman
6 Brothers Holdings Inc. v. Saab Financial Corp
7 Pre-trial Conference

8
9 HEARING re Adversary proceeding: 21-01064-scc Lehman
10 Brothers Holdings Inc. v. Scott Edward Landeau
11 Pre-trial Conference

12
13 HEARING re Adversary proceeding: 21-01065-scc Lehman
14 Brothers Holdings Inc. v. Shoreline Mortgage Corporation
15 Pre-trial Conference

16
17 HEARING re Adversary proceeding: 21-01066-scc Lehman
18 Brothers Holdings Inc. v. Smart Mortgage Center Inc.
19 Pre-trial Conference

20
21 HEARING re Adversary proceeding: 21-01067-scc Lehman
22 Brothers Holdings Inc. v. Southern Oaks Mortgage Inc.
23 Pre-trial Conference

24
25

1 HEARING re Adversary proceeding: 21-01070-scc Lehman

2 Brothers Holdings Inc. v. Trust Deed of Calif. Inc. MTG

3 Division

4 Pre-trial Conference

5

6 HEARING re Adversary proceeding: 21-01071-scc Lehman

7 Brothers Holdings Inc. v. United Northern Mortgage Bankers,
8 ltd.

9 Pre-trial Conference

10

11 HEARING re Adversary proceeding: 21-01073-scc Lehman

12 Brothers Holdings Inc. v. First Ohio Banc & Lending, Inc. et
13 al.

14 Pre-trial Conference

15

16 HEARING re Adversary proceeding: 21-01075-scc Lehman

17 Brothers Holdings Inc. v. Alderus Funding & investments LLC
18 et al.

19 Pre-trial Conference

20

21 HEARING re Adversary proceeding: 21-01076-scc Lehman

22 Brothers Holdings Inc. v. Virginia Commerce Bank et al.

23 Pre-trial Conference

24

25

1 HEARING re Adversary proceeding: 21-01078-scc Lehman
2 Brothers Holdings Inc. v. Fisher Financial Group Inc. et al.
3 Pre-trial Conference

4
5 HEARING re Adversary proceeding: 21-01080-scc Lehman
6 Brothers Holdings Inc. v. Nationwide Home Mortgage Inc. et
7 al.
8 Pre-trial Conference

9
10 HEARING re Adversary proceeding: 21-01081-scc Lehman
11 Brothers Holdings Inc. v. Mortgage direct, Inc. et al.
12 Pre-trial Conference

13
14 HEARING re Adversary proceeding: 21-01083-scc Lehman
15 Brothers Holdings Inc. v. Cranbrook Mortgage Corp et al.
16 Pre-trial Conference

17
18 HEARING re Adversary proceeding: 21-01085-scc Lehman
19 Brothers Holdings Inc. v. Centex capital Corp et al.
20 Pre-trial Conference

21
22 HEARING re Adversary proceeding: 21-01086-scc Lehman
23 Brothers Holdings Inc. v. Mid-State Bank & Trust et al.
24 Pre-trial Conference

25

1 HEARING re Adversary proceeding: 21-01087-scc Lehman
2 Brothers Holdings Inc. v. Sterling Mortgage Svcs. of the
3 Treasure Coast, Inc.
4 Pre-trial Conference
5
6 HEARING re Adversary proceeding: 21-01090-scc Lehman
7 Brothers Holdings Inc. v. All California Mortgage, Inc. et
8 al.
9
10 HEARING re 08-13555-scc Lehman Brothers Holdings Inc. and
11 United Northern Mortgage Bankers, Ltd.
12 Status Conference
13
14
15
16
17
18
19
20
21
22
23
24
25 Transcribed by: Sonya Ledanski Hyde

1 A P P E A R A N C E S :

2

3 WOLLMUTH MAHER & DEUTSCH LLP

4 Attorney for the Debtors

5 500 Fifth Avenue

6 New York, NY 10110

7

8 BY: JOSHUA SLOCUM (TELEPHONICALLY)

9

10 LAW OFFICES OF TRACY L. HENDERSON, ESQ.

11 Attorney for Cranbrook Mortgage Corp.

12 25280 Outlook Drive

13 Carmel, CA 93923

14

15 BY: TRACY L. HENDERSON (TELEPHONICALLY)

16

17 PERSON LAW

18 Attorneys for Smart Mortgage

19 24330 Leski Lane

20 Plainfield, IL 60585

21

22 BY: WILTON PERSON (TELEPHONICALLY)

23

24

25

1 ALSO PRESENT TELEPHONICALLY:
2 CELINE BUEHL
3 SHARON YE
4 PATRICK MOHAN
5 WILLIAM OLSHAN
6 OLIVIA ITALIANO
7 INGRID PETERSEN
8 JOHN EDWARDS
9 PAUL FRANKE III
10 PATRICK AKERS
11 TIMOTHY SALTER
12 PETER SVERD
13 ROBERT WONG
14 DORMIE KO
15 ROLAND JONES
16 THOMAS CURRAN
17 SOPHIA HEPHEASTOU
18 HANH HUYNH
19 DAVID SOUDERS
20 JOSEPH KATZ
21 JOSHUA ROSENTHAL
22 LANI ADLER
23 CASEY HOWARD
24 AILEEN MCTIEMAN
25 KENNETH DUVALL

P R O C E E D I N G S

THE COURT: Good morning, everyone. This is Judge Chapman. We're here this morning for a pretrial conference in connection with a number of adversary proceedings that have been filed in connection with the case of Lehman Brothers Holdings, Inc. I will not recite the adversary proceeding numbers. We can refer to them as we go along.

This hearing is being conducted entirely telephonically via the Court Solutions platform and a recording of the hearing is being made. No private recordings are permitted.

I have a roster of those who have registered to participate this morning. Please identify yourself for the record when you speak and identify the party on whose behalf you are appearing. Please do so each time that you speak so that we can create an accurate record.

There was, I believe filed on the docket, a notice of agenda for the pretrial conference, so perhaps we should use that as a guide, and I will ask someone from the Wollmuth firm if they would like to get us started.

MR. SLOCUM: May it please the Court, good morning. This is Joshua Slocum from Wollmuth Maher & Deutsch on behalf of the Plaintiff, Lehman Brothers Holdings, Inc.

So this is the initial conference that was

1 scheduled for 60 adversary proceedings that Lehman filed in
2 March of this year seeking indemnification for certain
3 losses that it incurred related to mortgage loans that
4 Lehman purchased and resold to various entities. I thought
5 it would be helpful in the first point in the agenda as we
6 move forward in how to address these matters to give a brief
7 update on where things stand now.

8 As Your Honor and several of the defendants'
9 counsel that are here today with us know very well, Lehman
10 has been very successful in commercial and resolving an
11 enormous number of these and similar disputes. In 2016 and
12 2018, Lehman filed over 150 similar adversary proceedings in
13 this Court, in many cases with much larger amounts in
14 dispute.

15 Lehman has now settled with the overwhelming
16 majority of those counterparties with only, I believe, 14
17 active cases remaining. The settlement today includes
18 nearly all of the 25 largest counterparties and 94 percent
19 of the total claim amounts from those cases.

20 So for these 60 cases, our agenda contains a chart
21 at the back that lays out the status of the cases that still
22 remain. I think we've seen a similar progress in these
23 cases as we did in the earlier filed cases because the chart
24 already does not include 15 cases that have already been
25 resolved and dismissed from this latest round.

1 Indeed, there are five more defendants for whom we
2 have adjourned this conference today to facilitate the
3 finalization of the settlement. Those five defendants
4 include the largest single counterparty from among these 60
5 cases in terms of the claim amount. So there are only 40
6 cases left, and as the status chart further reflects, 12 of
7 those defendants are currently in default not having
8 answered, moved, or obtained an extension to do so.

9 So as of now, today, we have only 28 of the 60
10 cases are active; in those cases, 13 defendants have already
11 answered or moved and 16 defendants have obtained
12 extensions, so their deadline hasn't arrived.

13 So a point of clarification, one of the
14 defendants' counsel called me yesterday and pointed out that
15 in the first case in my chart, the Alderus Funding case, two
16 defendant entities are separately represented. Alderus has
17 answered, but Hamilton Home Loans has not yet answered, but
18 hasn't obtained an extension to do so, so that's why the
19 numbers I quoted added up to 29.

20 So that's a status of where things are, and I
21 think we are hopeful and optimistic that things will
22 continue to move in that direction because we already have,
23 you know, left than half of the cases that we started out
24 with.

25 If there are comments or Your Honor has questions,

1 I'm happy to answer them, but otherwise, I will move on to
2 our comments on the early ADR point (sound glitch).

3 THE COURT: All right, that summary is very
4 helpful. And as you might imagine, we have been following
5 the progress over this past period of time and the
6 continuing presentation of stipulation of dismissal in
7 connection with settlements, which just to make sure that
8 everybody is on the same page, our visibility into that
9 process is limited to our receipt of the stipulations
10 calling for requesting the dismissal of the case.

11 So we have no idea, you know, the exact amounts or
12 the nature of the settlements, but we do see that they have
13 progressed to a point where there are precious few cases
14 that remain pending as compared to where we were one or two
15 or three years ago, so that's all a very good trend. And
16 your commentary today on this last group of cases is
17 consistent with the trend that we've seen in the other
18 cases, so I'll leave it to you to continue to take us
19 through the status.

20 MR. SLOCUM: Okay, thank you. So the point in the
21 agenda is early ADR, so I wanted to address the possibility
22 of early stage ADR or settlement in these cases. Obviously,
23 there's been a lot of activity on the settlement friend, as
24 I just outlined, and we're optimistic that will continue as
25 some of the defendants here get up to speed.

1 And we think a lot of the success that Lehman has
2 had over the last few years in terms of the settlements is
3 attributable to the Court's ADR orders that have been
4 entered. For cases where it has been tough to settle
5 through private negotiations, we have had great success
6 through court-ordered mediation. We hope that will
7 continue.

8 But I will say that some of the cases that have
9 been filed here today -- these were, you know, kind of the
10 last wave of cases -- that they were filed because business-
11 to-business negotiations were unsuccessful in terms of
12 settlement, and also several of the defendants refused to
13 participate in the court-ordered mediation. We hope that
14 will not continue as these cases have now been filed. But
15 if it does, then we do plan to move to compel mediation for
16 any holdouts.

17 THE COURT: Let me ask on that point, is the
18 refusal to participate communicated by a principal of the
19 defendant or is it communicated by counsel?

20 MR. SLOCUM: It has typically been communicated by
21 the principals is my understanding.

22 THE COURT: Okay. I won't say anything more,
23 other than there's nothing before me, strictly speaking, on
24 that. And given the success that's been had, it's
25 disappointing that folks are not willing to consent; perhaps

1 they'll have a change of heart as you continue to pursue it.

2 MR. SLOCUM: That's our hope as well. We are
3 going to restart those processes to the extent it makes
4 sense to do so with certain defendants and any holdouts. If
5 it's necessary, we would file a separate motion to compel,
6 and so those facts would be before the Court at the
7 appropriate time.

8 THE COURT: All right.

9 MR. SLOCUM: Obviously, if private negotiations
10 are fruitful, there may be no need to mediate in any given
11 case, so Lehman will continue to be very commercial as to
12 how to best approach those settlement talks.

13 THE COURT: Okay.

14 MR. SLOCUM: So I would like to -- oh, and I was
15 just informed that, you know, just to clarify my earlier
16 answer, you know, in terms of who has been responding to the
17 mediation. It's sort of a combination among the various
18 entities; it might be the principal or just we get no
19 response at all or sometimes counsel informs us.

20 THE COURT: All right. Well, for the benefit of
21 everyone who is on the phone here today -- and there's quite
22 a few -- I would just strongly urge anyone who has not
23 responded to the overtures to engage in settlement
24 discussions, please do so. I think that, you know, it's
25 time and it's, frankly, money well spent rather than

1 proceeding down the litigation path.

2 I don't have to remind everybody that it's 2021.
3 These cases have been around a long time. Certainly, I'm
4 motivated to say that Lehman is done, and I think that all
5 of those who are working on behalf of the estate are anxious
6 to say that Lehman is done and I'm optimistic that we can
7 get there if everyone puts their nose to the grindstone.

8 Okay, let's keep going.

9 MR. SLOCUM: Thank you, Your Honor. Josh Slocum
10 again.

11 So the pending motions point in the outline, you
12 know, not every defendant has yet had their deadline come to
13 move or to answer, so this list may grow or the defendants
14 may answer. But right now to date, we have, you know, four
15 defendants have filed motions to dismiss. I'd like to just
16 briefly address not the merits obviously, but the status and
17 the way forward.

18 Three motions were filed by Miss Henderson on
19 behalf of three of her clients; they're essentially the same
20 motion that certain defendants in the prior indemnification
21 cases filed. So we would submit that a hearing would not be
22 necessary as to those motions, but we can negotiate a
23 briefing schedule with Miss Henderson and submit it to the
24 Court on consent.

25 THE COURT: All right. I see that Miss Henderson

1 is on the line. That sounds like a splendid idea to me.

2 Miss Henderson.

3 MS. HENDERSON: Good morning, Your Honor. There's
4 a significant factual difference in these motions with these
5 clients; none of them are part of any of the assignment
6 agreements. So to the extent that the Court becomes aware
7 of that, the factual differences, and feels that it's not
8 necessary to have a hearing, I have no objection. I would
9 just appreciate knowing that that's been acknowledged by the
10 Court.

11 THE COURT: I hear the words that you're saying,
12 but I don't understand what you're asking. The issue on the
13 table is setting a briefing schedule.

14 MS. HENDERSON: I don't (sound glitch).

15 THE COURT: I'm sorry?

16 MS. HENDERSON: I don't object to setting a
17 briefing schedule, Your Honor.

18 THE COURT: All right, so set a briefing schedule
19 and then I'll make a determination as to whether or not I
20 need a hearing or whether or not there can be a disposition
21 based on the papers, right?

22 MS. HENDERSON: Yes, Your Honor. I think I -- the
23 point I was trying to make is that they are not identical,
24 the motions are not identical. These defendants are not
25 similarly situated factually; that was the point I was

1 trying to make, Your Honor.

2 THE COURT: Okay. But you have to understand,
3 Miss Henderson, again, I hear the words, but I cannot
4 understand what you're talking about; they're different from
5 one another, they're different from previously defendants on
6 whose behalf you've moved to dismiss? Let's not hold
7 everybody up. File your -- agree to a briefing schedule.
8 I'll read the papers and I'll move forward from there.

9 I'm not going to acknowledge or respond to what
10 you're saying now one way or the other. Okay?

11 MS. HENDERSON: Understood, Your Honor.

12 THE COURT: Thank you.

13 MR. SLOCUM: Okay, Joshua Slocum again on behalf
14 of Lehman. The fourth motion is different than the other
15 three. It was filed by Smart Mortgage.

16 This motion seeks dismissal on the grounds that
17 the broker agreement for Smart Mortgage between Smart
18 Mortgage and Lehman was not attached to the Complaint. We
19 believe that's not a colorable basis for a motion to
20 dismiss. But we tried to contact Smart Mortgage's counsel
21 several times to ask they either withdraw the motion or at
22 least agree to a briefing schedule, and those outreaches
23 have not -- we have not ever heard back. We sent over the
24 broker agreement to Smart Mortgage's counsel and pointed out
25 that it had been provided to Smart Mortgage on multiple

1 prior occasions to facilitate settlement talks. We've
2 received no response.

3 So if Smart Mortgage won't withdraw the motion
4 based on receiving the broker agreement, we would ask the
5 Court to set a deadline of June 3rd for Lehman to respond to
6 the motion, but we think this motion is not a good use of
7 the Court's time or ours frankly.

8 THE COURT: Well, we have someone, Mr. Person is
9 on the line representing Smart Mortgage, so perhaps we could
10 hear from him right now.

11 MR. PERSON: Good morning, Your Honor. Wilton
12 Person on behalf of Smart Mortgage. At this point, I would
13 just like to get a briefing schedule. I believe the motion
14 has merits and just wanted to seek a briefing schedule and
15 also a hearing date.

16 THE COURT: Well, hold on. I mean, in the first
17 instance --

18 MR. PERSON: Yes.

19 THE COURT: -- it makes sense to try to do things
20 the efficient and easy way and not the hard way. So my
21 suggestion is that you engage with counsel for Lehman and
22 determine whether or not, based on the information that's
23 been provided, you will come to a different conclusion
24 instead of simply insisting that you're going forward. That
25 just seems to me to be the logical commonsense way to go.

1 So what I'm hearing is that there's been no
2 response. That's not the way things ought to be done. You
3 need to have a conversation first and perhaps one of you
4 convinces the other and you can go from there. So first,
5 have a conversation, which if minds are not changed, then
6 you can set a briefing schedule and I'll determine at some
7 later point whether or not a hearing will be required.

8 I've done a lot of these. At this point, it's
9 hard to imagine circumstances under which I'm going to need
10 a hearing. But can you please make a representation on the
11 record right now that you'll respond to a phone call from
12 counsel for Lehman?

13 MR. PERSON: Yes, I will respond; it's not a
14 problem.

15 THE COURT: Well apparently, it's been a problem
16 because they've just said that you haven't been willing
17 before.

18 MR. PERSON: Well, I mean, to go into detail about
19 that, Your Honor, would be -- I mean, I've had other cases
20 and hearings that I've had to respond to. I haven't had a
21 chance to --

22 THE COURT: Yeah, we all have a lot of things on
23 our plate.

24 MR. PERSON: Sure.

25 THE COURT: It's a pandemic, but it only takes 30

1 seconds to send an email and trying to set up a time for a
2 call. So I'm just going to assume that that's going to
3 happen and then you all will take it from there.

4 MR. PERSON: Yes.

5 MR. SLOCUM: Okay. Joshua Slocum again for
6 Lehman. If there's nothing further on the pending motions,
7 I will address case management orders.

8 Given the fact that not all defendants have yet
9 responded to the Complaint because they've obtained
10 extensions and other defendants are still getting up to
11 speed, we have not yet worked out a schedule for these
12 cases. Obviously, we will do so and, hopefully, submit
13 agreed scheduling orders to the extent necessary to the
14 Court in due course over the next few weeks to the extent
15 the parties are not obviously able to settle any particular
16 case in the meantime.

17 In broad strokes, we believe that discovery can
18 and should proceed expeditiously. And just so that our
19 position is clear on the record, we don't believe that any
20 stay of discover would be warranted to the extent certain
21 defendants have chosen to file pre-Answer motions to
22 dismiss.

23 In terms of the discovery for Lehman's part, as
24 the Court knows, we've already produced a lot of documents;
25 it's well over a million in highly related cases, so we

1 would be prepared to move very quickly upon receiving
2 discovery requests when that part of the schedule arrives.
3 But in most of these cases -- again, in broad strokes -- we
4 don't see any reason why depositions can't be in fulsome by
5 the Fall for parties who don't settle by then.

6 But one comment is, obviously to the extent
7 matters are able to settle, which would be our hope over the
8 next few weeks, no scheduling order would be necessary, and
9 we'd be willing to put off discovery, you know, for example,
10 early case mediation or other constructive discussions.

11 THE COURT: Okay, so perhaps I missed it. Have
12 you encountered reluctance by parties to engage in
13 discovery?

14 MR. SLOCUM: No, Your Honor. Those talks have not
15 yet begun for the reasons I outlined. So there hasn't been
16 reluctance as of yet and, hopefully, there will not be, but
17 the answer is no, not yet.

18 THE COURT: Okay, excellent. All right, that
19 sounds like a plan. I'm all for moving all this forward
20 expeditiously, fairly, efficiently and being done, and that
21 will include at some point -- not today -- if necessary,
22 setting trial dates.

23 And I think that's really all I have. I mean,
24 there are a lot of folks on the phone, so I'm happy to hear
25 from anyone else who wishes to be heard.

1 All right, very good. Well, if not seeing you in
2 person, it's good to at least see your pictures on my
3 dashboard here and to hear some of your voices. I do hope
4 that all of you have been and are well and are happily
5 trying to make your way back into the world again now that
6 we are where we are.

7 So thanks very much to the Wollmuth firm for
8 organizing this today. As always, please reach out to my
9 chambers if we can be of any assistance. Other than that,
10 we'll wait to hear from you, and we'll look forward to a lot
11 of good progress in all of these adversary proceedings.

12 That concludes the hearing for today. Please,
13 everybody, have a great day.

14 MR. SLOCUM: Thank you, Your Honor.

15 (Recess)

16 THE COURT: Good morning, everyone. We're here
17 for a hearing in connection with the Lehman Brothers cases.
18 It is Case No. 08-13555. This hearing is being conducted
19 entirely telephonically via the Court Solutions platform and
20 a recording of the hearing is being made. No private
21 recordings are permitted.

22 I have a list of those who have registered to
23 participate this morning, and if you wish to be heard at
24 some point, please identify yourself for the record and
25 identify the party on whose behalf you are appearing.

1 So as you all know, this case -- this particular
2 matter involving Lehman's objection to the allowance of the
3 Maverick claims has been pending for quite some time, took a
4 trip up to the District Court, it came back to this Court,
5 and it has been sub judice for some time.

6 And today, I've asked you all to join me so that I
7 could read you a bench ruling that will, I believe, affect
8 the final disposition of this matter. So if you would
9 please bear with me, I'm going to read; hopefully, it will
10 take no more than 20 minutes or a half an hour. Afterwards,
11 I will ask for the entry of an order, which will reference
12 the transcript of this bench ruling to be attached as an
13 exhibit and that will constitute the ruling of the Court.

14 All right, so I'm going to start reading the
15 ruling.

16 Before the Court on remand from the United States
17 District Court for the Southern District of New York is the
18 objection of Lehman Brothers Holdings, Inc. to the proofs of
19 claim filed by the Maverick entities as defined below.

20 Specifically, as set forth in the brief on remand,
21 Docket No. 59807, in further support of the 519th omnibus
22 objection to claims, which is Docket No. 53107, filed by
23 Lehman Brothers Holdings, Inc. (hereinafter, LBHI), LBHI
24 renews its request for an order disallowing the proofs of
25 claim filed by six Maverick funds (hereinafter, Maverick or

1 the Maverick entities) against LBHI in its capacity as
2 guarantor to the extent such claims exceed LBHI's alleged
3 maximum potential exposure on such guaranty claims.

4 LBHI quantifies its maximum potential exposure on
5 such guaranty claims with respect to five of the funds as
6 \$4.3 million in the aggregate as of LBHI's petition date of
7 September 15th, 2008 (hereinafter, the petition date) and by
8 its brief on remand, LBHI renews its request for an order
9 disallowing Maverick's claims on behalf of those five funds
10 to the extent such claims exceed \$4.3 million in the
11 aggregate.

12 LBHI seeks the complete disallowance of the claim
13 of the sixth Maverick fund for which LBHI submits that
14 Maverick agrees that such fund had no claim against LBHI as
15 of the petition date.

16 In adjudicating the appeal of this Court's prior
17 rulings with respect to Maverick's claims against LBHI, see
18 order granting plan administrator's 519th omnibus objection
19 to claims dated May 12th, 2017, Docket No. 55346, the
20 District Court found that the petition date was the
21 determinative date for calculating LBHI's guaranty liability
22 and the District Court reversed and remanded the matter to
23 this Court for further proceedings. See *Maverick Long*
24 *Enhanced Fund, Ltd., et al v. Lehman Brothers Holdings,*
25 *Inc.*, 594 Br at 564 (S.D.N.Y. 2018).

1 Accordingly, in its opposition to LBHI's brief on
2 remand filed at Docket No. 59865, Maverick argues that LBHI
3 as guarantor remains liable as of the petition date for the
4 full \$118.1 million that Lehman Brothers International
5 Europe, or LBIE, as primary obligor owed to Maverick on
6 LBHI's petition date. Maverick asserts that pursuant to the
7 Supreme Court decision in *Ivanhoe Building & Loan Assn. v.*
8 *Orr*, 295 U.S. 243 at 246 to 47, (1935) is entitled to assert
9 the full amount of such claim against each of LBIE and LBHI
10 until Maverick has been paid in full.

11 LBHI filed a reply to Maverick's opposition at
12 Docket No. 59912 and this Court held oral argument on
13 September 10th, 2019. The parties also have submitted
14 letters to the Court dated September 14th, 2020 at Docket
15 No. 60869 and October 19th, 2020 at Docket No. 60904.

16 For the reasons that follow, LBHI's objection to
17 the full allowance of Maverick's claims is denied. The
18 claims filed by the Maverick entities shall be allowed in
19 the aggregate amount of \$118.1 million, subject to the
20 single satisfaction rule as discussed more fully herein.

21 Background. The Court assumes familiarity with
22 the long history of this claims allowance dispute, but will
23 provide a brief summary of pertinent background facts for
24 the purposes of this bench decision.

25 Prior to the petition date, each of the Maverick

1 entities was party to a separate prime brokerage agreement,
2 pursuant to certain Lehman entities, including LBIE, agreed
3 to maintain custody of certain cash and securities of the
4 Maverick entities. In addition to these prime brokerage
5 agreements, LBIE was party to other contracts with the
6 Maverick entities concerning the borrowing of the
7 securities, one, to facilitate, one, short trades, i.e.,
8 global master securities lending agreements or GMSLAs and,
9 two, margin loans, i.e., margin loan agreements or MLAs.

10 Pursuant to the prime brokerage agreements between
11 the parties, LBIE held Maverick assets as collateral to
12 secure Maverick obligations to LBIE and LBIE's affiliates in
13 connection with transaction between and among such parties.
14 LBIE's obligations under the GMSLAs and the MLAs were the
15 subject of multiple guaranties, including an absolute and
16 unconditional guaranty of payment extended by LBHI.

17 On September 22nd, 2009, each of the six Maverick
18 entities filed a proof of claim against LBHI, which claims
19 are substantively identical in all relevant respects,
20 collectively the Maverick claims. The Maverick claims
21 assert guaranty liability against LBHI based on the primary
22 obligations of LBIE and each claim states that it, quote,
23 "constitutes a demand for payment under the guaranty," end
24 quote.

25 The Maverick claims allege that as of the petition

1 date, quote, "Lehman entities had custody of Maverick assets
2 or property pursuant to the prime brokerage documents," end
3 quote, and that the value of such Maverick assets as of the
4 petition date was approximately \$118.1 million in the
5 aggregate. It's worth noting that LBHI has stated that it
6 is willing to accept Maverick's allegations as true, that
7 each Maverick entity posted collateral on a fund-specific
8 basis and that the collateral for one fund did not secure
9 the liability of the other funds. See brief on remand at
10 paragraphs 5 to 6.

11 Maverick also submits that, one, on the petition
12 date, the Maverick entities owed LBIE approximately \$129.6
13 million, reflecting the value of certain margin loans and
14 loans of securities to facilitate short trades, and two, if
15 such amount had been subject to automatic netting or setoff
16 on the petition date, which Maverick asserts they were not,
17 the Maverick entities would have owed LBIE an aggregate
18 amount of approximately \$11.5 million at that time.

19 Several years after the petition date and after
20 LBIE sought bankruptcy protection under English law, LBIE
21 and Maverick commenced settlement discussions. Maverick
22 submits that during such discussions, Maverick insisted that
23 the parties' position should be treated as though they had
24 been closed out and set off on the petition date, and on
25 such a basis, Maverick would have paid LBIE \$11.5 million.

1 As described by Maverick, LBIE refused to agree
2 with this proposed treatment and instead, adopted the view
3 that all of Maverick's positions remained open and should be
4 valued as of the date on which the parties agreed to a final
5 settlement. Maverick maintains that for various reasons, it
6 was compelled to enter into a March 30th, 2012 settlement
7 agreement with LBIE whereby it was, quote/unquote, "forced"
8 to pay LBIE \$30 million, and it did not receive credit from
9 LBIE for the full \$118.1 million owed to Maverick by LBIE,
10 credit which would have reduced the amount owed by Maverick
11 to LBIE to \$11.5 million.

12 Accordingly, Maverick asserts that after its
13 settlement with LBIE as primary obligor, Maverick continued
14 to retain its rights to pursue LBHI as guarantor for, among
15 other things, the full remaining balance of the \$118.1
16 million and, two, any other amounts owed as a result of
17 LBIE's alleged breaches of contract and failure to provide
18 netting and setoff in the full amount that Maverick would
19 have been entitled to under applicable non-bankruptcy law.
20 See opposition at paragraph 15.

21 Discussion. Pursuant to the ruling of the
22 District Court, the only issue before the Court on remand is
23 to determine LBHI's liability as of the petition date as a
24 guarantor to Maverick; see *Maverick Long Enhanced Fund Ltd.*
25 *v. Lehman Brothers Holding, Inc.*, 594 Br at 576.

1 Accordingly, this Court may not give consideration to events
2 that occurred or did not occur after the petition date.

3 The parties offered two very different answers to
4 the question of the extent of LBHI's guaranty liability.
5 Maverick maintains that LBHI owed it \$118.1 million as of
6 the petition date, reflecting the value on the petition date
7 of the cash and securities on deposit with LBIE. Maverick
8 asserts its entitlement to such amounts, notwithstanding its
9 acknowledgement that on the petition date, it owed LBIE
10 approximately \$129.6 million on account of margin loans and
11 loans of securities in connection with short trades.

12 As previously stated, automatic netting or setoff
13 on the petition date would thus have resulted in Maverick
14 owing LBIE an aggregate amount of \$11.5 million. Maverick
15 argues that no such netting or setoff right existed as of
16 the petition date and that LBIE, in any event, took no
17 action to exercise setoff rights even if they had existed.
18 As such, Maverick maintains that LBHI cannot treat the
19 Maverick claims as having been subject to a net setoff or
20 netting on the petition date; LBHI disagrees.

21 Relying on certain provisions in the prime
22 brokerage documents, LBHI asserts that Maverick's position
23 ignores the purpose and function of collateral arrangements
24 and posits that LBIE had no obligation to return all of
25 Maverick's collateral custody as of the petition date.

1 Rather, LBHI asserts LBIE's liability to Maverick at any
2 given point in time was for excess collateral only, in
3 LBHI's words, quote, "The positive difference, if any,
4 between the value of the collateral and the amount of
5 Maverick's liabilities." Brief on remand at paragraph 14.

6 In support of its contention that LBIE's
7 obligations were limited to the return of net amounts of
8 Maverick's collateral, LBHI points to paragraph 5(d) of the
9 MLA, which makes any obligation on the part of LBIE to
10 return collateral expressly conditioned on the prior
11 satisfaction by Maverick of any liabilities to LBIE, stating
12 that, quote, "Upon satisfaction by Maverick of all
13 obligations and all obligations owed by Maverick to each
14 affiliate of LBIE, LBIE shall return to Maverick the
15 collateral." MLA at paragraph 5(d).

16 LBHI also points to other provisions of the prime
17 brokerage documents to argue that the Court should now treat
18 Maverick assets and liabilities as having been subject to an
19 automatic setoff because, pursuant to the prime brokerage
20 documents under specific circumstances, LBIE could elect to
21 take action to liquidate Maverick's collateral and apply the
22 proceeds to reduce any amounts owed by or to Maverick.

23 In support of this, quote, "clean and unambiguous
24 intent," end quote, LBHI cites to paragraph 3 of the prime
25 brokerage agreement, which states that, quote, "In addition,

1 in order to satisfy all of Maverick's outstanding
2 liabilities or obligations to any Lehman Brothers entity,
3 each Lehman Brothers entity may, to the fullest extent
4 permitted by law, at any time in its discretion and without
5 prior notice to you, use, apply, or transfer any and all
6 securities or other property or assets, including without
7 limitation, fully paid securities and cash." Brief on
8 remand, paragraph 15, citing prime brokerage agreement at
9 paragraph 3, emphasis added.

10 Moreover, LBHI asserts that even if Maverick's
11 cited provisions purportedly dictate Maverick's entitlement
12 to a gross claim, application of such provisions would
13 conflict with paragraph 13 of the master prime brokerage
14 agreement and would be mooted by paragraph 32 of the prime
15 brokerage agreement, the so-called cumulative rights
16 provision.

17 Paragraph 13 of the master prime brokerage
18 agreement provides, quote, "On the occurrence of an event of
19 default, the following shall immediately occur: (b) all
20 outstanding obligations of each party to deliver securities
21 or equivalent securities or to pay cash to the other under
22 this agreement shall fall due for performance immediately;
23 (c) the non-defaulting party shall establish as of the
24 termination date, the default market values of all
25 securities, equivalent securities, and cash to be delivered

1 or paid by each party under clause 13.1(b) above; (d) on the
2 basis of the sum so established, an account shall be taken
3 as of the termination date of what is due from each party to
4 the other under this agreement and the sums due from one
5 party shall be set off against the sums due from the other
6 and only the balance of the account shall be payable by the
7 party having the claim valued at the lower amount and such
8 balance shall be due and payable on the next following
9 business day."

10 "The cumulative rights provision provides that the
11 rights, remedies, benefits, and protections afforded to each
12 Lehman Brothers entity under this agreement and under
13 contract you may have with any Lehman Brothers entity,
14 whether heretofore or hereafter entered into are cumulative,
15 and in addition to any other rights, remedies, benefits, and
16 protections that any Lehman Brothers entity may have."

17 "To the extent that the provisions of any
18 contracts you have with any Lehman Brothers entity, whether
19 heretofore or hereinafter entered into are inconsistent,
20 whether the inconsistency be between the contracts or within
21 a single contract, the conflict shall be resolved in favor
22 of the provision which affords Lehman Brothers with the
23 maximum rights, benefits, or protection." Prime brokerage
24 agreement at paragraph 32.

25 I'm going to pause for a moment, folks, to get a

1 drink of water. I'll be right back. I am two-thirds of the
2 way done. Okay, back to the ruling.

3 Maverick, on the other hand, argues that there
4 cannot be automatic setoff or netting because a setoff can
5 only occur in a Chapter 11 proceeding when a party takes
6 specific action to exercise setoff rights and then record
7 such action, neither of which occurred here. See September
8 14th, 2020 letter from Maverick, Docket No. 60869, citing
9 Citizens Bank v. Strumpf, 516 U.S. 16 at 20 (1995).

10 Whether or not LBIE had a right of setoff on
11 LBHI's petition date or not is irrelevant, Maverick asserts,
12 because LBIE did not take action to accomplish the setoff
13 and did not record it.

14 More importantly, however, Maverick submits that
15 the prime brokerage documents contained highly detailed
16 mechanisms for automatic setoff, e.g., paragraph 4 of the
17 prime brokerage agreement and paragraph 10.2 of the GMSLA as
18 modified by section 9(v) of the addendum to the GMSLA, that
19 reflect the parties' agreement that LBIE's right to setoff
20 or to offset any obligation owed by Maverick to LBIE existed
21 only upon Maverick's default under the prime brokerage
22 agreement. In other words, the netting provision in the
23 prime brokerage agreement only applies if Maverick files for
24 bankruptcy or was in default on the petition date, and a
25 bankruptcy filing by LBIE would not result in an automatic

1 setoff of mutual debts.

2 Importantly, LBHI does not dispute this narrow
3 point; in fact, it has conceded that Maverick's assertion in
4 this regard is a correct one. See March 24th, 2017 hearing
5 transcript at page 18, line 6 to 10, filed at Docket No.
6 55115. Rather, LBHI argues that it is not dispositive or,
7 to put it colloquially, it is not kryptonite because, one,
8 the cumulative rights provision would save LBHI from such an
9 adverse outcome and, two, in any event, it is commercially
10 unreasonable to interpret the prime brokerage document in a
11 way that would require LBIE to return all custody collateral
12 on the petition date without regard to amounts that Maverick
13 owed LBIE. See September 10th, 2019 hearing transcript at
14 page 10 line 25 to page 12 line 11, page 20 line 22 to page
15 21 line 5.

16 LBHI asserts that it is aware of no cases, quote,
17 "where collateral posted under a prime brokerage agreement
18 was found to be owed separate and independent from the
19 obligations that such collateral secured." See reply at
20 paragraph 9.

21 The seeming inconsistency between these provisions
22 would be rendered irrelevant had LBIE paid Maverick \$4.3
23 million on the petition date and used the remaining
24 approximately 114 million in proceeds to cancel Maverick's
25 indebtedness to LBIE, but this did not occur. Because LBIE

1 did not effectuate such a setoff on the petition date or
2 subsequently, LBHI is liable as guarantor for the remainder
3 due Maverick.

4 Maverick has the right to seek from LBHI as
5 guarantor the return of the full \$118 million owed to
6 Maverick by LBIE, subject to a maximum recovery of that same
7 amount, which Maverick acknowledges. See opposition,
8 paragraph 32 stating that, quote, "That Maverick is entitled
9 to assert a claim for the full \$118 million it was owed on
10 the petition date, subject to a maximum recovery of that
11 same amount, meaning in effect that Maverick can only
12 collect an addition \$16.2 million from LBHI."

13 Restricted as this Court is to setting the amount
14 of Maverick's claims as of the petition date, the Court
15 concludes that Maverick is entitled to an aggregate allowed
16 claim against LBHI in the amount of \$118.1 million, which
17 will entitle Maverick to recover from LBHI as guarantor
18 approximately \$16.2 million of the \$30 million Maverick paid
19 to LBIE.

20 Such a result is consistent with the relevant
21 provision of the prime brokerage documents in a manner that:
22 one, follows the direction of the District Court in its
23 ruling; two, gives effect to the provisions of the prime
24 brokerage documents that limit netting to circumstances in
25 which Maverick defaults; and three, does not give economic

1 to effect to a setoff that LBIE failed to effectuate on the
2 petition date. Simply put, LBHI remains liable for the full
3 amount of LBIE's breach measured as of the petition date.

4 Conclusion. For all of the foregoing reasons,
5 LBHI's objection to the Maverick claims is denied. The
6 parties are directed to submit an order consistent with the
7 foregoing.

8 Okay. Thank you for listening. I would ask -- I
9 see Mr. Fail, you're on the line and Mr. Hufendick, I would
10 ask that you prepare an order that reflects the Court's
11 ruling that states, "For the reasons stated on the record,
12 which are reflected in the transcript, a copy of which is
13 attached to the order, the motion is denied," that you
14 socialize that order with counsel for Maverick and then send
15 it to us in Word version when it's ready to be filed.

16 All right?

17 MR. FAIL: Thank you, Your Honor. Garrett Fail
18 for LBHI, understood.

19 THE COURT: Okay. Mr. Martin, anything from you?

20 MR. MARTIN: No. Thank you for your time, Your
21 Honor. We appreciate you taking the time to read that to us
22 today.

23 THE COURT: All right, very well. I know you've
24 been waiting a long time and there we have it. So it's good
25 to see your pictures on my screen. I hope you all have been

1 well and are enjoying a return to being out in the sun and
2 some more normal times. So enjoy the rest of your day and
3 thank you so much for your attention.

4 MR. FAIL: Thank you, same to you.

5 MAN: Thanks very much, Your Honor, and same to
6 you.

7 (Whereupon these proceedings were concluded at
8 11:30 AM)

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

I N D E X

RULINGS

Page

Line

Maverick Claims Denied

53

5

C E R T I F I C A T I O N

I, Sonya Ledanski Hyde, certified that the foregoing
transcript is a true and accurate record of the proceedings.



Sonya Ledanski Hyde

Veritext Legal Solutions

330 Old Country Road

Suite 300

Mineola, NY 11501

Date: May 25, 2021

[& - 519th]

Page 1

&	1st 1:15 16:2	21-01051 6:9	21-01085 14:1
& 11:22 12:6	2	18:18	22:18
21:12,17 22:23	20 15:14 40:10	21-01052 6:17	21-01086 14:9
24:3 26:22 42:7	50:9 51:14	18:22	22:22
0	2000 3:14 17:2	21-01054 7:1 19:1	21-01087 14:17
08-13555 1:3	2008 41:7	21-01055 7:9 19:5	23:1
23:10 39:18	2009 43:17	21-01057 7:17	21-01090 15:1
1	2012 45:6	19:9	23:6
10 51:5,14	2016 27:11	21-01058 8:1	22 51:14
10.2 50:17	2017 41:19 51:4	19:13	22nd 43:17
10004 15:12	2018 27:12 41:25	21-01059 8:9	243 42:8
10110 24:6	2019 42:13 51:13	19:17	24330 24:19
10:00 15:15	2020 42:14,15	21-01061 8:17	246 42:8
10th 42:13 51:13	50:8	19:21	24th 51:4
11 50:5 51:14	2021 15:14 32:2	21-01062 9:1 20:1	25 27:18 51:14
11.5 44:18,25	56:25	21-01063 9:9 20:5	56:25
45:11 46:14	21 51:15	21-01064 9:17	25280 24:12
114 51:24	21-01029 1:10	20:9	28 28:9
11501 56:23	16:1	21-01065 10:1	29 28:19
118 52:5,9	21-01030 1:18	20:13	295 42:8
118.1 42:4,19 44:4	16:5	21-01066 10:9	3
45:9,15 46:5	21-01031 2:1 16:9	20:17	3 47:24 48:9
52:16	21-01034 2:9	21-01067 10:17	30 36:25 45:8
11:30 54:8	16:13	20:21	52:18
12 28:6 51:14	21-01035 2:17	21-01070 11:1	300 56:22
129.6 44:12 46:10	16:17	21:1	30th 45:6
12th 41:19	21-01036 3:1	21-01071 11:9	32 48:14 49:24
13 28:10 48:13,17	16:21	21:6	52:8
13.1 49:1	21-01037 3:9 17:1	21-01073 11:17	330 56:21
14 27:16 47:5	21-01040 3:17	21:11	3rd 35:5
14th 42:14 50:8	17:6	21-01075 12:1	4
15 27:24 45:20	21-01041 4:1	21:16	4 50:16
48:8	17:10	21-01076 12:9	4.3 41:6,10 51:22
150 27:12	21-01042 4:9	21:21	40 28:5
15th 41:7	17:15	21-01078 12:17	47 42:8
16 28:11 50:9	21-01043 4:17	22:1	5
16.2 52:12,18	17:19	21-01080 13:1	5 44:10 47:8,15
18 51:5	21-01044 5:1 18:1	22:5	51:15 55:6
1935 42:8	21-01045 5:9 18:6	21-01081 13:9	500 24:5
1995 50:9	21-01046 5:17	22:10	516 50:9
19th 42:15	18:10	21-01083 13:17	519th 40:21 41:18
	21-01048 6:1	22:14	
	18:14		

<p>53 55:6 53107 40:22 55115 51:6 55346 41:19 564 41:25 576 45:25 594 41:25 45:25 59807 40:21 59865 42:2 59912 42:12</p>	<p>added 28:19 48:9 addendum 50:18 addition 43:4 47:25 49:15 52:12 address 27:6 29:21 32:16 37:7 adjourned 28:2 adjudicating 41:16 adler 25:22 administrator's 41:18 adopted 45:2 adr 29:2,21,22 30:3 adv 1:10,18 2:1,9 2:17 3:1,9,17 4:1 4:9,17 5:1,9,17 6:1,9,17 7:1,9,17 8:1,9,17 9:1,9,17 10:1,9,17 11:1,9 11:17 12:1,9,17 13:1,9,17 14:1,9 14:17 15:1 advanced 2:6 16:10 adversary 16:1,5 16:9,13,17,21 17:1,6,10,15,19 18:1,6,10,14,18 18:22 19:1,5,9,13 19:17,21 20:1,5,9 20:13,17,21 21:1 21:6,11,16,21 22:1,5,10,14,18 22:22 23:1,6 26:4 26:6 27:1,12 39:11 adverse 51:9 affect 40:7 affiliate 47:14 affiliates 43:12</p>	<p>afforded 49:11 affords 49:22 agenda 26:18 27:5 27:20 29:21 aggregate 41:6,11 42:19 44:5,17 46:14 52:15 ago 29:15 agree 34:7,22 45:1 agreed 37:13 43:2 45:4 agreement 34:17 34:24 35:4 43:1 45:7 47:25 48:8 48:14,15,18,22 49:4,12,24 50:17 50:19,22,23 51:17 agreements 33:6 43:5,8,9,10 agrees 41:14 aileen 25:24 akers 25:10 al 11:22 12:6,14 12:22 13:6,14,22 14:6,14 15:6 21:13,18,22 22:2 22:7,11,15,19,23 23:8 41:24 alderus 12:6 21:17 28:15,16 allegations 44:6 allege 43:25 alleged 41:2 45:17 allowance 40:2 42:17,22 allowed 42:18 52:15 american 1:23 16:6 amount 28:5 42:9 42:19 44:15,18 45:10,18 46:14</p>	<p>47:4 49:7 52:7,11 52:13,16 53:3 amounts 27:13,19 29:11 45:16 46:8 47:7,22 51:12 answer 29:1 31:16 32:13,14 37:21 38:17 answered 28:8,11 28:17,17 answers 46:3 anxious 32:5 apparently 36:15 appeal 41:16 appearing 26:15 39:25 applicable 45:19 application 48:12 applies 50:23 apply 47:21 48:5 appreciate 33:9 53:21 approach 31:12 appropriate 31:7 approximately 44:4,12,18 46:10 51:24 52:18 argue 47:17 argues 42:2 46:15 50:3 51:6 argument 42:12 arrangements 46:23 arrived 28:12 arrives 38:2 asked 40:6 asking 33:12 assert 42:8 43:21 52:9 assertion 51:3 asserts 42:6 44:16 45:12 46:8,22 47:1 48:10 50:11</p>
6			
<p>6 44:10 51:5 60 27:1,20 28:4,9 60585 24:20 60869 42:15 50:8 60904 42:15</p>			
9			
<p>9 50:18 51:20 93923 24:13 94 27:18</p>			
a			
<p>a.k.t. 1:23 16:6 able 37:15 38:7 absolute 43:15 accept 44:6 accomplish 50:12 account 46:10 49:2,6 accurate 26:16 56:4 acknowledge 34:9 acknowledged 33:9 acknowledgement 46:9 acknowledges 52:7 action 46:17 47:21 50:6,7,12 active 27:17 28:10 activity 29:23</p>			

<p>51:16 assets 43:11 44:1 44:3 47:18 48:6 assignment 33:5 assistance 39:9 assn 42:7 assume 37:2 assumes 42:21 attached 34:18 40:12 53:13 attention 54:3 attorney 24:4,11 attorneys 24:18 attributable 30:3 automatic 44:15 46:12 47:19 50:4 50:16,25 avenue 24:5 aware 33:6 51:16</p>	<p>bear 40:9 bee 7:6 19:2 begun 38:15 behalf 26:14,23 32:5,19 34:6,13 35:12 39:25 41:9 believe 26:17 27:16 34:19 35:13 37:17,19 40:7 bench 40:7,12 42:24 benefit 31:20 benefits 49:11,15 49:23 best 31:12 borrowing 43:6 bowling 15:11 br 41:25 45:25 breach 53:3 breaches 45:17 bridgeview 2:14 16:14 brief 27:6 40:20 41:8 42:1,23 44:9 47:5 48:7 briefing 32:23 33:13,17,18 34:7 34:22 35:13,14 36:6 briefly 32:16 broad 37:17 38:3 broker 34:17,24 35:4 brokerage 43:1,4 43:10 44:2 46:22 47:17,19,25 48:8 48:13,15,17 49:23 50:15,17,21,23 51:10,17 52:21,24 brothers 1:7,12 1:20 2:3,11,19 3:3 3:11,19 4:3,11,19 5:3,11,19 6:3,11</p>	<p>6:19 7:3,11,19 8:3 8:11,19 9:3,11,19 10:3,11,19 11:3 11:11,19 12:3,11 12:19 13:3,11,19 14:3,11,19 15:3 16:2,6,10,14,18 16:22 17:2,7,11 17:16,20 18:2,7 18:11,15,19,23 19:2,6,10,14,18 19:22 20:2,6,10 20:14,18,22 21:2 21:7,12,17,22 22:2,6,11,15,19 22:23 23:2,7,10 26:6,23 39:17 40:18,23 41:24 42:4 45:25 48:2,3 49:12,13,16,18,22 buehl 25:2 building 42:7 business 30:10,11 49:9</p>	<p>6:1,9,17 7:1,9,17 8:1,9,17 9:1,9,17 10:1,9,17 11:1,9 11:17 12:1,9,17 13:1,9,17 14:1,9 14:17 15:1 26:5 28:15,15 29:10 31:11 37:7,16 38:10 39:18 40:1 cases 27:13,17,19 27:20,21,23,23,24 28:5,6,10,10,23 29:13,16,18,22 30:4,8,10,14 32:3 32:21 36:19 37:12 37:25 38:3 39:17 51:16 casey 25:23 cash 43:3 46:7 48:7,21,25 cdc 2:22 16:18 celine 25:2 center 10:14 20:18 centex 14:6 22:19 certain 27:2 31:4 32:20 37:20 43:2 43:3 44:13 46:21 certainly 32:3 certified 56:3 chambers 39:9 chance 36:21 change 31:1 changed 36:5 chapman 15:22 26:3 chapter 50:5 chart 27:20,23 28:6,15 chosen 37:21 circumstances 36:9 47:20 52:24</p>
<p>b</p>		<p>c</p>	
<p>b 15:21 48:19 49:1 back 27:21 34:23 39:5 40:4 50:1,2 background 42:21,23 balance 45:15 49:6,8 banc 11:22 21:12 bank 12:14 21:22 22:23 50:9 bank& 14:14 banker 4:22 17:20 bankers 11:14 21:7 23:11 bankruptcy 1:1 15:10,23 44:20 45:19 50:24,25 based 33:21 35:4 35:22 43:21 basis 34:19 44:8 44:25 49:2</p>		<p>c 15:22 24:1 26:1 48:23 56:1,1 ca 24:13 calculating 41:21 calif 11:6 21:2 california 15:6 23:7 call 36:11 37:2 called 28:14 48:15 calling 29:10 cancel 51:24 capacity 41:1 capital 1:23 14:6 16:6 22:19 carmel 24:13 case 1:3,10,18 2:1 2:9,17 3:1,9,17 4:1,9,17 5:1,9,17</p>	

[cited - date]

Page 4

<p>cited 48:11 cites 47:24 citing 48:8 50:8 citizens 50:9 citywide 3:6 16:22 claim 27:19 28:5 40:19,25 41:12,14 42:9 43:18,22 48:12 49:7 52:9 52:16 claims 40:3,22 41:2,3,5,9,10,17 41:19 42:17,18,22 43:18,20,20,25 46:19 52:14 53:5 55:6 clarification 28:13 clarify 31:15 clause 49:1 clean 47:23 clear 37:19 clients 32:19 33:5 closed 44:24 coast 14:22 23:3 collateral 43:11 44:7,8 46:23,25 47:2,4,8,10,15,21 51:11,17,19 collect 52:12 collectively 43:20 colloquially 51:7 colorable 34:19 combination 31:17 come 32:12 35:23 commenced 44:21 comment 38:6 commentary 29:16 comments 28:25 29:2</p>	<p>commerce 12:14 21:22 commercial 27:10 31:11 commercially 51:9 commonsense 35:25 communicated 30:18,19,20 compared 29:14 compel 30:15 31:5 compelled 45:6 complaint 34:18 37:9 complete 41:12 conceded 51:3 concerning 43:6 concluded 54:7 concludes 39:12 52:15 conclusion 35:23 53:4 conditioned 47:10 conducted 26:8 39:18 conference 16:3,7 16:11,15,19,23 17:4,8,13,17,21 18:4,8,12,16,20 18:24 19:3,7,11 19:15,19,23 20:3 20:7,11,15,19,23 21:4,9,14,19,23 22:3,8,12,16,20 22:24 23:4,12 26:3,18,25 28:2 conflict 48:13 49:21 connection 26:4,5 29:7 39:17 43:13 46:11</p>	<p>consent 30:25 32:24 consideration 46:1 consistent 29:17 52:20 53:6 constitute 40:13 constitutes 43:23 constructive 38:10 contact 34:20 contained 50:15 contains 27:20 contention 47:6 continue 28:22 29:18,24 30:7,14 31:1,11 continued 45:13 continuing 29:6 contract 45:17 49:13,21 contracts 43:5 49:18,20 conversation 36:3 36:5 convinces 36:4 copy 53:12 corp 2:6,14 3:6 6:22 8:6 9:6,14 13:22 14:6 16:10 16:14,22 18:23 19:14 20:2,6 22:15,19 24:11 corporation 4:22 10:6 17:20 20:14 correct 51:4 counsel 27:9 28:14 30:19 31:19 34:20,24 35:21 36:12 53:14 counterparties 27:16,18</p>	<p>counterparty 28:4 country 56:21 course 37:14 court 1:1 15:10 26:2,9,21 27:13 29:3 30:6,13,17 30:22 31:6,8,13 31:20 32:24,25 33:6,10,11,15,18 34:2,12 35:5,8,16 35:19 36:15,22,25 37:14,24 38:11,18 39:16,19 40:4,4 40:13,16,17 41:20 41:22,23 42:7,12 42:14,21 45:22,22 46:1 47:17 52:13 52:14,22 53:19,23 court's 30:3 35:7 41:16 53:10 cranbrook 13:22 22:15 24:11 create 26:16 creative 3:14 17:2 credit 45:8,10 cumulative 48:15 49:10,14 51:8 curran 25:16 currently 28:7 custody 43:3 44:1 46:25 51:11</p>
d			
<p>d 26:1 47:8,15 49:1 55:1 dashboard 39:3 date 32:14 35:15 41:6,7,15,20,21 42:3,6,25 44:1,4 44:12,16,19,24 45:4,23 46:2,6,6,9 46:13,16,20,25 48:24 49:3 50:11</p>			

[date - et]

Page 5

<p>50:24 51:12,23 52:1,10,14 53:2,3 56:25 dated 41:19 42:14 dates 38:22 david 25:19 day 39:13 49:9 54:2 deadline 28:12 32:12 35:5 debtors 1:8 24:4 debts 51:1 decision 42:7,24 deed 11:6 21:2 default 28:7 48:19 48:24 50:21,24 defaulting 48:23 defaults 52:25 defendant 1:16,24 2:7,15,23 3:7,15 3:23 4:7,15,23 5:7 5:15,23 6:7,15,23 7:7,15,23 8:7,15 8:23 9:7,15,23 10:7,15,23 11:7 11:15 28:16 30:19 32:12 defendants 11:23 12:7,15,23 13:7 13:15,23 14:7,15 14:23 15:7 27:8 28:1,3,7,10,11,14 29:25 30:12 31:4 32:13,15,20 33:24 34:5 37:8,10,21 defined 40:19 deliver 48:20 delivered 48:25 demand 43:23 denied 42:17 53:5 53:13 55:6 deposit 46:7</p>	<p>depositions 38:4 described 45:1 detail 36:18 detailed 50:15 determination 33:19 determinative 41:21 determine 35:22 36:6 45:23 deutsch 24:3 26:23 dictate 48:11 difference 33:4 47:3 differences 33:7 different 34:4,5 34:14 35:23 46:3 direct 13:14 22:11 directed 53:6 direction 28:22 52:22 disagrees 46:20 disallowance 41:12 disallowing 40:24 41:9 disappointing 30:25 discover 37:20 discovery 37:17 37:23 38:2,9,13 discretion 48:4 discussed 42:20 discussion 45:21 discussions 31:24 38:10 44:21,22 dismiss 32:15 34:6,20 37:22 dismissal 29:6,10 34:16 dismissed 27:25</p>	<p>disposition 33:20 40:8 dispositive 51:6 dispute 27:14 42:22 51:2 disputes 27:11 district 1:2 40:4 40:17,17 41:20,22 45:22 52:22 division 11:6 21:3 docket 26:17 40:21,22 41:19 42:2,12,14,15 50:8 51:5 document 51:10 documents 37:24 44:2 46:22 47:17 47:20 50:15 52:21 52:24 dormie 25:14 drink 50:1 drive 24:12 due 37:14 48:22 49:3,4,5,8 52:3 duvall 25:25</p>	<p>efficient 35:20 efficiently 38:20 either 34:21 elect 47:20 email 37:1 emphasis 48:9 empire 3:22 17:7 encountered 38:12 engage 31:23 35:21 38:12 english 44:20 enhanced 41:24 45:24 enjoy 54:2 enjoying 54:1 enormous 27:11 enter 45:6 entered 30:4 49:14,19 entirely 26:8 39:19 entities 27:4 28:16 31:18 40:19 41:1 42:18 43:1,2,4,6 43:18 44:1,12,17 entitle 52:17 entitled 42:8 45:19 52:8,15 entitlement 46:8 48:11 entity 44:7 48:2,3 49:12,13,16,18 entry 40:11 equivalent 48:21 48:25 esq 24:10 essentially 32:19 establish 48:23 established 49:2 estate 32:5 et 11:22 12:6,14 12:22 13:6,14,22</p>
		<p>e</p>	
		<p>e 15:21,21 24:1,1 26:1,1 55:1 56:1 e.g. 50:16 earlier 27:23 31:15 early 29:2,21,22 38:10 easy 35:20 economic 52:25 ecro 15:25 edward 9:22 20:10 edwards 25:8 effect 52:11,23 53:1 effectuate 52:1 53:1</p>	

<p>14:6,14 15:6 21:12,18,22 22:2 22:6,11,15,19,23 23:7 41:24 europe 42:5 event 46:16 48:18 51:9 events 46:1 everybody 29:8 32:2 34:7 39:13 exact 29:11 example 38:9 exceed 41:2,10 excellent 38:18 exceptional 4:6 17:11 excess 47:2 exercise 46:17 50:6 exhibit 40:13 existed 46:15,17 50:20 expeditiously 37:18 38:20 exposure 41:3,4 expressly 47:10 extended 43:16 extension 28:8,18 extensions 28:12 37:10 extent 31:3 33:6 37:13,14,20 38:6 41:2,10 46:4 48:3 49:17</p>	<p>fail 53:9,17,17 54:4 failed 53:1 failure 45:17 fairly 38:20 fall 38:5 48:22 familiarity 42:21 family 4:14 17:16 favor 49:21 feels 33:7 fifth 24:5 file 31:5 34:7 37:21 filed 26:5,17 27:1 27:12,23 30:9,10 30:14 32:15,18,21 34:15 40:19,22,25 42:2,11,18 43:18 51:5 53:15 files 50:23 filing 50:25 final 40:8 45:4 finalization 28:3 finance 8:14 19:18 financial 1:15 2:22 3:22 4:6 5:14 9:14 12:22 16:2 16:18 17:7,11 18:7 20:6 22:2 firm 26:20 39:7 first 4:22 5:6 11:22 17:20 18:2 21:12 27:5 28:15 35:16 36:3,4 fisher 12:22 22:2 five 28:1,3 41:5,9 folks 30:25 38:24 49:25 follow 42:16 following 29:4 48:19 49:8</p>	<p>follows 52:22 forced 45:7 foregoing 53:4,7 56:3 forth 40:20 forward 27:6 32:17 34:8 35:24 38:19 39:10 found 41:20 51:18 four 32:14 fourth 34:14 franke 25:9 frankly 31:25 35:7 friend 29:23 fruitful 31:10 full 42:4,9,10,17 45:9,15,18 52:5,9 53:2 fullest 48:3 fully 42:20 48:7 fulsome 38:4 function 46:23 fund 41:13,14,24 44:7,8 45:24 funding 5:22 8:6 12:6 18:11 19:14 21:17 28:15 funds 40:25 41:5 41:9 44:9 further 28:6 37:6 40:21 41:23</p>	<p>glitch 29:2 33:14 global 43:8 gmsla 50:17,18 gmslas 43:8,14 go 26:7 35:25 36:4 36:18 going 31:3 32:8 34:9 35:24 36:9 37:2,2 40:9,14 49:25 good 26:2,21 29:15 33:3 35:6 35:11 39:1,2,11 39:16 53:24 granting 41:18 great 30:5 39:13 green 15:11 greenback 5:22 18:11 grindstone 32:7 gross 48:12 grounds 34:16 group 2:22 5:14 6:14 12:22 16:18 18:7,19 22:2 29:16 grow 32:13 guaranties 43:15 guarantor 41:2 42:3 45:14,24 52:2,5,17 guaranty 41:3,5 41:21 43:16,21,23 46:4 guide 26:19</p>
<p>f 15:21 56:1 facilitate 28:2 35:1 43:7 44:14 fact 37:8 51:3 facts 31:6 42:23 factual 33:4,7 factually 33:25</p>		<p>g 26:1 gabriel 5:14 18:7 garrett 53:17 getting 37:10 give 27:6 46:1 52:25 given 30:24 31:10 37:8 47:2 gives 52:23</p>	<p>h half 28:23 40:10 hamilton 28:17 hand 50:3 hanh 25:18 happen 37:3 happily 39:4</p>

[happy - lani]

Page 7

happy 29:1 38:24 hard 35:20 36:9 hear 33:11 34:3 35:10 38:24 39:3 39:10 heard 34:23 38:25 39:23 hearing 16:1,5,9 16:13,17,21 17:1 17:6,10,15,19 18:1,6,10,14,18 18:22 19:1,5,9,13 19:17,21 20:1,5,9 20:13,17,21 21:1 21:6,11,16,21 22:1,5,10,14,18 22:22 23:1,6,10 26:8,10 32:21 33:8,20 35:15 36:1,7,10 39:12 39:17,18,20 51:4 51:13 hearings 36:20 heart 31:1 held 42:12 43:11 helpful 27:5 29:4 henderson 24:10 24:15 32:18,23,25 33:2,3,14,16,22 34:3,11 hepheastou 25:17 hereinafter 40:23 40:25 41:7 49:19 heretofore 49:14 49:19 highly 37:25 50:15 history 42:22 hold 34:6 35:16 holding 45:25 holdings 1:7,12 1:20 2:3,11,19 3:3 3:11,19 4:3,11,19	5:3,11,19 6:3,11 6:19 7:3,11,19 8:3 8:11,19 9:3,11,19 10:3,11,19 11:3 11:11,19 12:3,11 12:19 13:3,11,19 14:3,11,19 15:3 16:2,6,10,14,18 16:22 17:2,7,11 17:16,20 18:2,7 18:11,15,19,23 19:2,6,10,14,18 19:22 20:2,6,10 20:14,18,22 21:2 21:7,12,17,22 22:2,6,11,15,19 22:23 23:2,7,10 26:6,24 40:18,23 41:24 holdouts 30:16 31:4 home 3:6 13:6 16:22 22:6 28:17 homeservices 6:6 18:15 hon 15:22 honor 27:8 28:25 32:9 33:3,17,22 34:1,11 35:11 36:19 38:14 39:14 53:17,21 54:5 hope 30:6,13 31:2 38:7 39:3 53:25 hopeful 28:21 hopefully 37:12 38:16 40:9 hour 40:10 howard 25:23 hufendick 53:9 huynh 25:18 hyde 23:25 56:3,8	i i.e. 43:7,9 idea 29:11 33:1 identical 33:23,24 43:19 identify 26:13,14 39:24,25 ignores 46:23 iii 25:9 il 24:20 imagine 29:4 36:9 immediately 48:19,22 importantly 50:14 51:2 include 27:24 28:4 38:21 includes 27:17 including 43:2,15 48:6 inconsistency 49:20 51:21 inconsistent 49:19 incurred 27:3 indebtedness 51:25 indemnification 27:2 32:20 independent 51:18 information 35:22 informed 31:15 informs 31:19 ingrid 25:7 initial 26:25 insisted 44:22 insisting 35:24 instance 35:17 integrity 5:6 18:2 intent 47:24 international 42:4 interpret 51:10	investments 12:6 21:17 involving 40:2 irrelevant 50:11 51:22 issue 33:12 45:22 italiano 25:6 ivanhoe 42:7 j john 25:8 join 40:6 jones 25:15 joseph 25:20 josh 32:9 joshua 24:8 25:21 26:22 34:13 37:5 judge 15:23 26:2 judice 40:5 june 35:5 k kappel 6:14 18:19 katz 25:20 keep 32:8 kennedy 6:22 18:23 kenneth 25:25 kind 30:9 know 27:9 28:23 29:11 30:9 31:15 31:16,24 32:12,14 38:9 40:1 53:23 knowing 33:9 knows 37:24 ko 25:14 kryptonite 51:7 l l 24:10,15 landeau 9:22 20:10 lane 24:19 lani 25:22
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

[larger - million]

Page 8

larger 27:13	10:3,11,19 11:3	53:9 55:4	matters 27:6 38:7
largest 27:18 28:4	11:11,19 12:3,11	liquidate 47:21	maverick 40:3,19
latest 27:25	12:19 13:3,11,19	list 32:13 39:22	40:25,25 41:1,13
law 24:10,17	14:3,11,19 15:3	listening 53:8	41:14,23 42:2,5,6
44:20 45:19 48:4	16:1,5,9,13,17,21	litigation 32:1	42:10,18,25 43:4
lays 27:21	17:1,6,10,15,19	llc 6:6 7:14 12:6	43:6,11,12,17,20
lbhi 40:23,23 41:1	18:1,6,10,14,18	18:15 19:6 21:17	43:20,25 44:1,3,7
41:4,8,12,13,14	18:22 19:1,5,9,13	llp 24:3	44:11,12,16,17,21
41:17 42:2,9,11	19:17,21 20:1,5,9	loan 42:7 43:9	44:21,22,25 45:1
43:16,18,21 44:5	20:13,17,21 21:1	loans 3:6 16:22	45:5,9,10,12,13
45:14 46:5,18,20	21:6,11,16,21	27:3 28:17 43:9	45:18,24,24 46:5
46:22 47:1,8,16	22:1,5,10,14,18	44:13,14 46:10,11	46:7,13,14,18,19
47:24 48:10 51:2	22:22 23:1,6,10	logical 35:25	47:1,11,12,13,14
51:6,8,16 52:2,4	26:5,23 27:1,4,9	long 32:3 41:23	47:18,22 50:3,8
52:12,16,17 53:2	27:12,15 30:1	42:22 45:24 53:24	50:11,14,20,23
53:18	31:11 32:4,6	look 39:10	51:12,22 52:3,4,6
lbhi's 41:2,6,21	34:14,18 35:5,21	losses 27:3	52:7,8,11,15,17
42:1,6,16 45:23	36:12 37:6 39:17	lot 29:23 30:1	52:18,25 53:5,14
46:4 47:3 50:11	40:18,23 41:24	36:8,22 37:24	55:6
53:5	42:4 43:2 44:1	38:24 39:10	maverick's 41:9
lbie 42:5,9 43:2,5	45:25 48:2,3	lower 49:7	41:17 42:11,17
43:11,12,22 44:12	49:12,13,16,18,22	m	44:6 45:3 46:22
44:17,20,20,25	lehman's 37:23	maher 24:3 26:22	46:25 47:5,8,21
45:1,7,8,9,9,11,13	40:2	maintain 43:3	48:1,10,11 50:21
46:7,9,14,16,24	lenders 2:6 16:10	maintains 45:5	51:3,24 52:14
47:9,11,14,14,20	lending 6:6 7:6,14	46:5,18	maximum 41:3,4
50:10,12,20,25	11:22 18:15 19:2	majority 27:16	49:23 52:6,10
51:11,13,22,25,25	19:6 21:12 43:8	man 54:5	mctieman 25:24
52:6,19 53:1	leski 24:19	management 37:7	mean 35:16 36:18
lbie's 43:12,14	letter 50:8	manner 52:21	36:19 38:23
45:17 47:1,6	letters 42:14	march 27:2 45:6	meaning 52:11
50:19 53:3	liabilities 47:5,11	51:4	measured 53:3
leave 29:18	47:18 48:2	margin 43:9,9	mechanisms
ledanski 23:25	liability 41:21	44:13 46:10	50:16
56:3,8	43:21 44:9 45:23	market 48:24	mediate 31:10
left 28:6,23	46:4 47:1	martin 53:19,20	mediation 30:6,13
legal 56:20	liable 42:3 52:2	maryland 7:14	30:15 31:17 38:10
lehman 1:7,12,20	53:2	19:6	merits 32:16
2:3,11,19 3:3,11	limit 52:24	master 43:8 48:13	35:14
3:19 4:3,11,19 5:3	limitation 48:7	48:17	mid 14:14 22:23
5:11,19 6:3,11,19	limited 29:9 47:7	matter 1:5 40:2,8	million 37:25 41:6
7:3,11,19 8:3,11	line 33:1 35:9	41:22	41:10 42:4,19
8:19 9:3,11,19	51:5,14,14,14,15		44:4,13,18,25

[million - page]

Page 9

45:8,9,11,16 46:5 46:10,14 51:23,24 52:5,9,12,16,18 52:18 minds 36:5 mineola 56:23 minutes 40:10 missed 38:11 mla 47:9,15 mlas 43:9,14 modified 50:18 mohan 25:4 moment 49:25 money 31:25 mooted 48:14 morning 26:2,3 26:13,22 33:3 35:11 39:16,23 mortgage 2:6,14 3:14 4:14,22 5:6 6:14,22 7:22 8:14 8:22 9:6 10:6,14 10:22 11:14 13:6 13:14,22 14:22 15:6 16:10,14 17:2,16,20 18:2 18:19,23 19:10,18 19:22 20:2,14,18 20:22 21:7 22:6 22:11,15 23:2,7 23:11 24:11,18 27:3 34:15,17,18 34:25 35:3,9,12 mortgage's 34:20 34:24 motion 31:5 32:20 34:14,16,19,21 35:3,6,6,13 53:13 motions 32:11,15 32:18,22 33:4,24 37:6,21 motivated 32:4	move 27:6 28:22 29:1 30:15 32:13 34:8 38:1 moved 28:8,11 34:6 moving 38:19 mtg 11:6 21:2 multiple 34:25 43:15 mutual 51:1 n n 24:1 26:1 55:1 56:1 narrow 51:2 nationwide 13:6 22:6 nature 29:12 nearly 27:18 necessary 31:5 32:22 33:8 37:13 38:8,21 need 31:10 33:20 36:3,9 negotiate 32:22 negotiations 30:5 30:11 31:9 neither 50:7 net 46:19 47:7 netting 44:15 45:18 46:12,15,20 50:4,22 52:24 new 1:2 15:12 24:6 40:17 non 45:19 48:23 normal 54:2 northern 11:14 21:7 23:11 nose 32:7 notice 26:17 48:5 noting 44:5 notwithstanding 46:8	nrf 8:6 19:14 number 26:4 27:11 numbers 26:7 28:19 nvr 8:14 19:18 ny 15:12 24:6 56:23 o o 15:21 26:1 56:1 oaks 10:22 20:22 object 33:16 objection 33:8 40:2,18,22 41:18 42:16 53:5 obligation 46:24 47:9 50:20 obligations 43:12 43:14,22 47:7,13 47:13 48:2,20 51:19 obligor 42:5 45:13 obtained 28:8,11 28:18 37:9 obviously 29:22 31:9 32:16 37:12 37:15 38:6 occasions 35:1 occur 46:2 48:19 50:5 51:25 occurred 46:2 50:7 occurrence 48:18 october 42:15 offered 46:3 offices 24:10 offset 50:20 oh 31:14 ohio 11:22 21:12 okay 29:20 30:22 31:13 32:8 34:2 34:10,13 37:5 38:11,18 50:2	53:8,19 old 56:21 olivia 25:6 olshan 25:5 omnibus 40:21 41:18 open 45:3 opposition 42:1 42:11 45:20 52:7 optimistic 28:21 29:24 32:6 oral 42:12 order 38:8 40:11 40:24 41:8,18 48:1 53:6,10,13 53:14 ordered 30:6,13 orders 30:3 37:7 37:13 organizing 39:8 orr 42:8 ought 36:2 outcome 51:9 outline 32:11 outlined 29:24 38:15 outlook 24:12 outreaches 34:22 outstanding 48:1 48:20 overtures 31:23 overwhelming 27:15 owed 42:5 44:12 44:17 45:9,10,16 46:5,9 47:13,22 50:20 51:13,18 52:5,9 owing 46:14 p p 24:1,1 26:1 page 29:8 51:5,14 51:14,14,14 55:4
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

[paid - provides]

Page 10

paid 42:10 44:25 48:7 49:1 51:22 52:18 pandemic 36:25 papers 33:21 34:8 paragraph 45:20 47:5,8,15,24 48:8 48:9,13,14,17 49:24 50:16,17 51:20 52:8 paragraphs 44:10 part 33:5 37:23 38:2 47:9 participate 26:13 30:13,18 39:23 particular 37:15 40:1 parties 37:15 38:5 38:12 42:13 43:11 43:13 44:23 45:4 46:3 50:19 53:6 party 26:14 39:25 43:1,5 48:20,23 49:1,3,5,7 50:5 path 32:1 patrick 25:4,10 patriot 8:22 19:22 paul 25:9 pause 49:25 pay 45:8 48:21 payable 49:6,8 payment 43:16,23 pending 29:14 32:11 37:6 40:3 percent 27:18 performance 48:22 period 29:5 permitted 26:11 39:21 48:4 person 24:17,22 35:8,11,12,18 36:13,18,24 37:4	39:2 pertinent 42:23 peter 25:12 petersen 25:7 petition 41:6,7,15 41:20 42:3,6,25 43:25 44:4,11,16 44:19,24 45:23 46:2,6,6,9,13,16 46:20,25 50:11,24 51:12,23 52:1,10 52:14 53:2,3 phone 31:21 36:11 38:24 pictures 39:2 53:25 plainfield 24:20 plaintiff 1:13,21 2:4,12,20 3:4,12 3:20 4:4,12,20 5:4 5:12,20 6:4,12,20 7:4,12,20 8:4,12 8:20 9:4,12,20 10:4,12,20 11:4 11:12,20 12:4,12 12:20 13:4,12,20 14:4,12,20 15:4 26:23 plan 30:15 38:19 41:18 plate 36:23 platform 26:9 39:19 please 26:13,15 26:21 31:24 36:10 39:8,12,24 40:9 plus 7:22 19:10 point 27:5 28:13 29:2,13,20 30:17 32:11 33:23,25 35:12 36:7,8 38:21 39:24 47:2 51:3	pointed 28:14 34:24 points 47:8,16 position 37:19 44:23 46:22 positions 45:3 positive 47:3 posits 46:24 possibility 29:21 posted 44:7 51:17 potential 41:3,4 pre 16:3,7,11,15 16:19,23 17:4,8 17:13,17,21 18:4 18:8,12,16,20,24 19:3,7,11,15,19 19:23 20:3,7,11 20:15,19,23 21:4 21:9,14,19,23 22:3,8,12,16,20 22:24 23:4 37:21 precious 29:13 prepare 53:10 prepared 38:1 present 25:1 presentation 29:6 pretrial 26:3,18 previously 34:5 46:12 primary 42:5 43:21 45:13 prime 9:6 20:2 43:1,4,10 44:2 46:21 47:16,19,24 48:8,13,14,17 49:23 50:15,17,21 50:23 51:10,17 52:21,23 principal 30:18 31:18 principals 30:21 prior 32:20 35:1 41:16 42:25 47:10	48:5 private 26:10 30:5 31:9 39:20 problem 36:14,15 proceed 37:18 proceeding 16:1,5 16:9,13,17,21 17:1,6,10,15,19 18:1,6,10,14,18 18:22 19:1,5,9,13 19:17,21 20:1,5,9 20:13,17,21 21:1 21:6,11,16,21 22:1,5,10,14,18 22:22 23:1,6 26:7 32:1 50:5 proceedings 26:4 27:1,12 39:11 41:23 54:7 56:4 proceeds 47:22 51:24 process 29:9 processes 31:3 produced 37:24 progress 27:22 29:5 39:11 progressed 29:13 proof 43:18 proofs 40:18,24 property 44:2 48:6 proposed 45:2 protection 44:20 49:23 protections 49:11 49:16 provide 42:23 45:17 provided 34:25 35:23 provides 48:18 49:10
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

provision 48:16 49:10,22 50:22 51:8 52:21 provisions 46:21 47:16 48:11,12 49:17 51:21 52:23 purchased 27:4 purportedly 48:11 purpose 46:23 purposes 42:24 pursuant 42:6 43:2,10 44:2 45:21 47:19 pursue 31:1 45:14 put 38:9 51:7 53:2 puts 32:7	receive 45:8 received 35:2 receiving 35:4 38:1 recess 39:15 recite 26:6 record 26:14,16 36:11 37:19 39:24 50:6,13 53:11 56:4 recording 26:10 39:20 recordings 26:11 39:21 recover 52:17 recovery 52:6,10 reduce 47:22 reduced 45:10 refer 26:7 reference 40:11 reflect 50:19 reflected 53:12 reflecting 44:13 46:6 reflects 28:6 53:10 refusal 30:18 refused 30:12 45:1 regard 51:4,12 registered 26:12 39:22 related 27:3 37:25 relevant 43:19 52:20 reluctance 38:12 38:16 relying 46:21 remain 27:22 29:14 remainder 52:2 remained 45:3	remaining 27:17 45:15 51:23 remains 42:3 53:2 remand 40:16,20 41:8 42:2 44:9 45:22 47:5 48:8 remanded 41:22 remedies 49:11,15 remind 32:2 rendered 51:22 renews 40:24 41:8 reply 42:11 51:19 representation 36:10 represented 28:16 representing 35:9 request 40:24 41:8 requesting 29:10 requests 38:2 require 51:11 required 36:7 residential 7:14 19:6 resold 27:4 resolved 27:25 49:21 resolving 27:10 respect 41:5,17 respects 43:19 respond 34:9 35:5 36:11,13,20 responded 31:23 37:9 responding 31:16 response 31:19 35:2 36:2 rest 54:2 restart 31:3 restricted 52:13 result 45:16 50:25 52:20	resulted 46:13 retain 45:14 return 46:24 47:7 47:10,14 51:11 52:5 54:1 reversed 41:22 right 29:3 31:8,20 32:14,25 33:18,21 35:10 36:11 38:18 39:1 40:14 46:15 50:1,10,19 52:4 53:16,23 rights 45:14 46:17 48:15 49:10,11,15 49:23 50:6 51:8 road 56:21 robert 25:13 roland 25:15 rosenthal 25:21 roster 26:12 round 27:25 rule 42:20 ruling 40:7,12,13 40:15 45:21 50:2 52:23 53:11 rulings 41:17 55:3
q			
quantifies 41:4 question 46:4 questions 28:25 quickly 38:1 quite 31:21 40:3 quote 43:22,24 44:1,3 45:7 47:3 47:12,23,24,25 48:18 51:16 52:8 quoted 28:19			
r			
r 15:21 24:1 26:1 56:1 reach 39:8 read 34:8 40:7,9 53:21 reading 40:14 ready 53:15 really 38:23 reason 38:4 reasons 38:15 42:16 45:5 53:4 53:11 receipt 29:9			s
			s 24:1 26:1 s.d.n.y. 41:25 saab 9:14 20:6 salter 25:11 satisfaction 42:20 47:11,12 satisfy 48:1 save 51:8 saying 33:11 34:10 scc 1:3,10,18 2:1,9 2:17 3:1,9,17 4:1 4:9,17 5:1,9,17 6:1,9,17 7:1,9,17 8:1,9,17 9:1,9,17 10:1,9,17 11:1,9

<p>11:17 12:1,9,17 13:1,9,17 14:1,9 14:17 15:1 16:1,5 16:9,13,17,21 17:1,6,10,15,19 18:1,6,10,14,18 18:22 19:1,5,9,13 19:17,21 20:1,5,9 20:13,17,21 21:1 21:6,11,16,21 22:1,5,10,14,18 22:22 23:1,6,10 schedule 32:23 33:13,17,18 34:7 34:22 35:13,14 36:6 37:11 38:2 scheduled 27:1 scheduling 37:13 38:8 scott 9:22 20:10 screen 53:25 seconds 37:1 section 50:18 secure 43:12 44:8 secured 51:19 securities 43:3,7,8 44:14 46:7,11 48:6,7,20,21,25 48:25 see 29:12 32:25 38:4 39:2 41:17 41:23 44:9 45:20 45:24 50:7 51:4 51:13,19 52:7 53:9,25 seeing 39:1 seek 35:14 52:4 seeking 27:2 seeks 34:16 41:12 seen 27:22 29:17 send 37:1 53:14 sense 31:4 35:19</p>	<p>sent 34:23 separate 31:5 43:1 51:18 separately 28:16 september 41:7 42:13,14 43:17 50:7 51:13 services 1:15 3:22 5:6 16:2 17:7 18:2 set 33:18 35:5 36:6 37:1 40:20 44:24 49:5 setoff 44:15 45:18 46:12,15,17,19 47:19 50:4,4,6,10 50:12,16,19 51:1 52:1 53:1 setting 33:13,16 38:22 52:13 settle 30:4 37:15 38:5,7 settled 27:15 settlement 27:17 28:3 29:22,23 30:12 31:12,23 35:1 44:21 45:5,6 45:13 settlements 29:7 29:12 30:2 sharon 25:3 shelly 15:22 shoreline 10:6 20:14 short 43:7 44:14 46:11 significant 33:4 similar 27:11,12 27:22 similarly 33:25 simply 35:24 53:2 single 28:4 42:20 49:21</p>	<p>situated 33:25 six 40:25 43:17 sixth 41:13 slocum 24:8 26:21 26:22 29:20 30:20 31:2,9,14 32:9,9 34:13,13 37:5,5 38:14 39:14 smart 10:14 20:18 24:18 34:15,17,17 34:20,24,25 35:3 35:9,12 socialize 53:14 solutions 3:14 4:6 17:2,11 26:9 39:19 56:20 sonya 23:25 56:3 56:8 sophia 25:17 sorry 33:15 sort 31:17 souders 25:19 sought 44:20 sound 29:2 33:14 sounds 33:1 38:19 southern 1:2 10:22 20:22 40:17 speak 26:14,15 speaking 30:23 specific 44:7 47:20 50:6 specifically 40:20 speed 29:25 37:11 spent 31:25 splendid 33:1 stage 29:22 stand 27:7 start 40:14 started 26:20 28:23 state 14:14 22:23 stated 44:5 46:12 53:11</p>	<p>states 1:1 15:10 40:16 43:22 47:25 53:11 stating 47:11 52:8 status 23:12 27:21 28:6,20 29:19 32:16 stay 37:20 step 1:15 16:2 sterling 14:22 23:2 stipulation 29:6 stipulations 29:9 strictly 30:23 strokes 37:17 38:3 strongly 31:22 strumpf 50:9 sub 40:5 subject 42:19 43:15 44:15 46:19 47:18 52:6,10 submit 32:21,23 37:12 53:6 submits 41:13 44:11,22 50:14 submitted 42:13 subsequently 52:2 substantively 43:19 success 30:1,5,24 successful 27:10 suggestion 35:21 suite 56:22 sum 49:2 summary 29:3 42:23 sums 49:4,5 sun 54:1 support 40:21 47:6,23 supreme 42:7 sure 29:7 36:24</p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

[svcs - withdraw]

Page 13

svcs 14:22 23:2	today 27:9,17	typically 30:20	19:14,18,22 20:2
sverd 25:12	28:2,9 29:16 30:9	u	20:6,10,14,18,22
t	31:21 38:21 39:8	u.s. 15:23 42:8	21:2,7,12,17,22
t 56:1,1	39:12 40:6 53:22	50:9	22:2,6,11,15,19
table 33:13	total 27:19	unambiguous	22:23 23:2,7
take 29:18 37:3	tough 30:4	47:23	41:24 42:7 45:25
40:10 47:21 50:12	tracy 24:10,15	unconditional	50:9,18
taken 49:2	trades 43:7 44:14	43:16	value 44:3,13 46:6
takes 36:25 50:5	46:11	understand 33:12	47:4
talking 34:4	transaction 43:13	34:2,4	valued 45:4 49:7
talks 31:12 35:1	transcribed 23:25	understanding	values 48:24
38:14	transcript 40:12	30:21	various 27:4
telephonically	51:5,13 53:12	understood 34:11	31:17 45:5
24:8,15,22 25:1	56:4	53:18	veritext 56:20
26:9 39:19	transfer 48:5	united 1:1 11:14	version 53:15
termination 48:24	treasure 14:22	15:10 21:7 23:11	view 45:2
49:3	23:3	40:16	virginia 12:14
terms 28:5 30:2	treat 46:18 47:17	unknown 15:25	21:22
30:11 31:16 37:23	treated 44:23	unquote 45:7	visibility 29:8
thank 29:20 32:9	treatment 45:2	unreasonable	voices 39:3
34:12 39:14 53:8	trend 29:15,17	51:10	w
53:17,20 54:3,4	trial 16:3,7,11,15	unsuccessful	wait 39:10
thanks 39:7 54:5	16:19,23 17:4,8	30:11	waiting 53:24
things 27:7 28:20	17:13,17,21 18:4	update 27:7	wanted 29:21
28:21 35:19 36:2	18:8,12,16,20,24	urge 31:22	35:14
36:22 45:15	19:3,7,11,15,19	use 26:19 35:6	warranted 37:20
think 27:22 28:21	19:23 20:3,7,11	48:5	water 50:1
30:1 31:24 32:4	20:15,19,23 21:4	utah 3:6 16:22	wave 30:10
33:22 35:6 38:23	21:9,14,19,23	v	way 32:17 34:10
thirds 50:1	22:3,8,12,16,20	v 1:14,22 2:5,13	35:20,20,25 36:2
thomas 25:16	22:24 23:4 38:22	2:21 3:5,13,21 4:5	39:5 50:2 51:11
thought 27:4	tried 34:20	4:13,21 5:5,13,21	we've 27:22 29:17
three 29:15 32:18	trip 40:4	6:5,13,21 7:5,13	35:1 37:24
32:19 34:15 52:25	true 44:6 56:4	7:21 8:5,13,21 9:5	weeks 37:14 38:8
time 9:6 20:2	trust 11:6 14:14	9:13,21 10:5,13	william 25:5
26:15 29:5 31:7	21:2 22:23	10:21 11:5,13,21	willing 30:25
31:25 32:3 35:7	try 35:19	12:5,13,21 13:5	36:16 38:9 44:6
37:1 40:3,5 44:18	trying 33:23 34:1	13:13,21 14:5,13	wilton 24:22
47:2 48:4 53:20	37:1 39:5	14:21 15:5 16:2,6	35:11
53:21,24	two 28:15 29:14	16:10,14,18,22	wish 39:23
times 34:21 54:2	43:9 44:14 45:16	17:2,7,11,16,20	wishes 38:25
timothy 25:11	46:3 50:1 51:9	18:2,7,11,15,19	withdraw 34:21
	52:23	18:23 19:2,6,10	35:3

[wollmuth - york]

Page 14

<p>wollmuth 24:3 26:20,22 39:7 wong 25:13 word 53:15 words 33:11 34:3 47:3 50:22 worked 37:11 working 32:5 world 39:5 worth 44:5</p>
x
<p>x 1:4,9,11,17,19 1:25 2:2,8,10,16 2:18,24 3:2,8,10 3:16,18,24 4:2,8 4:10,16,18,24 5:2 5:8,10,16,18,24 6:2,8,10,16,18,24 7:2,8,10,16,18,24 8:2,8,10,16,18,24 9:2,8,10,16,18,24 10:2,8,10,16,18 10:24 11:2,8,10 11:16,18,24 12:2 12:8,10,16,18,24 13:2,8,10,16,18 13:24 14:2,8,10 14:16,18,24 15:2 15:8 55:1</p>
y
<p>ye 25:3 yeah 36:22 year 27:2 years 29:15 30:2 44:19 yesterday 28:14 york 1:2 15:12 24:6 40:17</p>